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WORLD NEWS

## PM rejects Argentina go-between

The Prime Minister, speaking after meetings in Rome with Italy's Premier Bettino Craxi, ruled out the need for mediation by a third country in re-establishing links between Britain and Argentina.

Mrs Thatcher said she would prefer Britain to have direct contacts with Argentina.

Despite suggestions that Sig Craxi might act as a go-between, he said he was limiting himself to expressing his opinions as a friend to both governments. Back Page

### Rapid deployment plan

U.S. officials said the Reagan Administration was planning to renew efforts to provide Jordan with equipment for an 8,000 strong "rapid deployment force" for use in Arab Gulf states.

### French Chad advance

France moved its troops 60 miles further north in Chad and ordered them to engage any hostile forces in the area. Page 2

### Times fails to appear

The Times failed to appear for the second day as print union Sogat '82 made official the dispute over duties in the library. Page 6

### Thatcher backs Prior

Mrs Thatcher said she supported Northern Ireland Secretary James Prior's decision not to resign over the Hennessy report on the Maze breakout. Page 5

### Floods close roads

A slow thaw in northern Britain eased arctic conditions but flooding closed six Tayside roads in eastern Scotland and roads in Wales and the Hereford area were under water.

### Turkey jails Marxists

A martial law tribunal in Istanbul jailed 102 members of Marxist group the Turkish Workers Party

### Abortion legalised

Portugal's parliament made abortion legal in limited cases, following noisy street demonstrations in Lisbon for and against. Page 3

### Honduras manoeuvres

Honduras's armed forces said about 2,900 U.S. and 5,000 Honduran soldiers will carry out joint manoeuvres next week centred on the eastern town of San Esteban.

### Speed man killed

Gary Gabelich, former land speed record holder, was killed when his motorcycle hit a lorry in Los Angeles. His 1970 record of 622 mph was beaten last October by Briton Richard Noble's 633 mph.

### Monte Carlo win

West Germany's Walter Roehrl won the Monte Carlo motor rally in an Audi Quattro.

### Ford puts prices up

Ford is to raise car prices by an average 3.95 per cent on February 1. The Sierra 1.6L 5-door will go up to £6,220 from £5,984. Page 4

### Proud Soviet claim

Co-operation between the Soviet Union and Afghanistan over the past 30 years has been a model for Moscow's economic relations with developing countries, official news agency Tass said.

BUSINESS SUMMARY

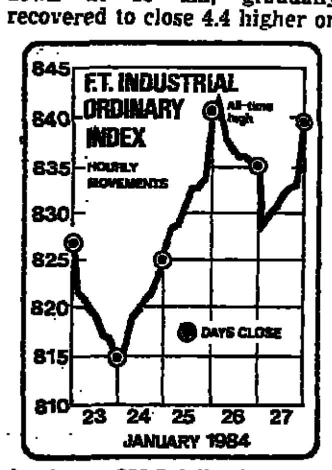
## Bristol seeks £55m to ease debt

BRISTOL City Council unveiled plans to raise a loan of about £55m on the London money market to deal with a financial crisis caused mainly by the soaring costs of its Avonmouth port complex.

The loan, to allow Bristol to restructure its debts, would be for three years, pending sale of up to £100m of the city's capital assets. Back Page

REUTERS: The Government will not intervene in the proposed Stock Exchange flotation of the news agency, Information Technology Minister Kenneth Baker told the Commons. Page 4

EQUITIES rallied from lower opening levels. The FT Industrial Ordinary index, 6.4 points down at 10 am, gradually recovered to close 4.4 higher on the day at 839.5 following after-hours gains—only a point short of Wednesday's record. The FT-Actuaries All-Share index rose 0.2 per cent yesterday to a best-ever 504.73. Page 28




INSOLVENCY law reform is to be given priority over proposals to implement the Gower report on investor protection in the Government's legislative programme. Back Page; Liquidations at record, Page 5

CHILE'S insistence on a modest economic reflation is meeting strong resistance from the International Monetary Fund. Page 2

OIL: Spot market prices for Brent Blend crude, the North Sea reference, overtook the official rate of $30 a barrel for the first time since mid-October. Page 4

SCOTT LITHGOW: Backroom talks have been taking place between the Government and industry to find a buyer for the lower Clyde yard, which is expected to close by the summer with the loss of all 4,000 jobs. Page 5

CRANE-HIRE drivers' shop stewards in Scotland and the North are to press for a national strike in the industry from February 14. Page 6

CINCINNATI Milacron of the U.S., the world's biggest machine tools producer and a major supplier of industrial robots, plans to begin manufacturing robots in Austria by July this year. Page 2

HYMAC, the South Wales excavator maker that went into receivership last November, made its remaining 87 employees redundant and is likely to be put into liquidation on Monday. Page 4

COASTAL, U.S. refining, marketing and gas transmission group, launched a $68 (£48.3) a share takeover bid for Houston Natural Gas, oil and gas pipeline operator. Page 27

# Ministers agree plan for £10bn sell-off

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

SENIOR CABINET Ministers have agreed a programme to sell off state assets worth about £10bn during the next five years.

The powerful E (Economic) committee of the Cabinet has approved an outline timetable for disposals or injections of private capital, which include about a dozen enterprises including British Gas and the electricity industry.

However, Ministers did not make a choice this week between the series of options presented to them for splitting up and privatising gas and electricity. These will be considered later this year, with a view to preparing the necessary legislation within two to three years.

It was agreed that British Gas should not be sold off as one block in its present form, though such a sale was urged by Sir Denis Rooke, British Gas chairman.

The electricity industry, with capital assets worth about £26bn, is considered far too big to put into the private sector as a single concern.

It is conceded in Whitehall that many difficult problems remain in deciding how to privatise gas and electricity, and in devising a form of regulation for them.

It seems likely that a fierce rearguard action may be fought on these specific issues by those in Whitehall and the industries who may still have doubts about the wisdom of turning parts of these big monopolies over to the private sector.

For this reason the programme for privatising electricity is at the bottom of the present list, with gas a somewhat higher priority.

A consensus appears to have emerged among Ministers that the distribution networks for gas and electricity are natural public monopolies and should remain in public hands.

The options for gas would be:

- To leave the basic distribution and area network in public hands, but hive off as much of the gas showrooms as possible, to encourage further private-sector supply of gas and encourage the network to carry gas between private suppliers and the customers.
- To split the corporation into several regional companies which could compete for gas from private suppliers, using the public network of gas mains.

The options for electricity would be:

- To split the Central Electricity Generating Board into three, four or five independent private companies, not necessarily on a regional division.

These suppliers would compete to sell power to independent area boards dealing with the consumer. Most of these boards would probably remain in the public sector.

- To privatise the area boards and give each a selection of power stations. Each board would need to own power stations in different parts of the country to ensure that each had a "fair" mix between large, small, nuclear-, coal- and oil-powered plants.

The national grid would supply power to each board from satellite stations and enable the boards to trade in power with each other.

One of the thorniest remaining problems is how regulatory bodies could ensure a fair deal for both consumers and investors while overseeing the

Continued on Back Page

Mrs Thatcher's record, Page 20
Insolvency law to be reformed, Back Page

# U.S. trade deficit hits record $69bn and could top $100bn

BY STEWART FLEMING IN WASHINGTON

THE U.S. trade deficit hit a record $69.4bn (£49.32bn) in 1983 and could rise above $100bn this year, Mr Malcolm Baldrige, the Commerce Department secretary, warned yesterday.

The Reagan Administration is concerned at the deterioration from a $42.7bn deficit in 1982. Some U.S. manufacturers are suffering erosion of their share of world markets and the combination of 5.9 per cent rise in the value of imports and a 5.5 per cent decline in exports last year has helped slow the recovery in the growth of the domestic economy.

The Commerce Department has estimated that in the fourth quarter the poor trade performance may have knocked as much as 2 per centage points off the quarterly increase in the real growth of gross national product.

Domestic demand was so strong last year that the weak trade performance did not have a particularly striking effect on the economy as a whole. But there are fears that with the economy apparently poised for its normal slowdown in the second year of a recovery, the deterioration in the trade accounts could become a serious drag on economic activity if it continues at its present pace.

The expected length of such a deterioration is questionable. In the fourth quarter of last year the trade deficit was already running at an annual rate of about $90bn. Chase Econometrics expects it to remain between $90bn to $100bn. Goldman Sachs Economics is predicting a deficit this year of about $113bn. Many economists expect the trade picture to deteriorate in the first half of the year before improving slowly in the second.

There were some signs of a stabilisation last month. The December trade deficit, the Commerce Department said, was $6.3bn compared with the record $8.9bn reported in October.

The improvement needs to be treated with some caution, however, for the bulk of it reflects a decline in the deficit on petroleum products and crude petroleum trade which was $9.3bn in October but down to $6.5bn last month.

Mr Richard Young of Chase Econometrics pointed out that there was some evidence that the earlier deterioration in the manufactured goods trade account levelled off in the fourth quarter. The combination of a slower pace of U.S. economic expansion and the stronger economic recovery which seems to be taking place in some industrialised countries should help to limit the extent of any further deterioration in the trade deficit, he said.

There are however many uncertainties, including the value of the dollar on the foreign exchanges. Mr Donald Regan, U.S. Treasury Secretary, suggested this week he would like to see it lower. The dollar's strength has been an important factor, along with the tendency of the U.S. to attract imports as the economic upturn proceeded, contributing to the deterioration in the trade picture. Many economists trace the link back to the high budget deficit and associated high nominal interest rates.

The debt problems of developing countries, particularly in Latin America have also had a serious impact on the trade balance. Latin American imports have shrunk from 15 per cent of U.S. exports to 9 per cent between 1981 and 1983.

For 1983 as a whole, U.S. exports fell 5.5 per cent to $200.5bn, while imports rose 5.9 per cent to $270bn. In December, exports were $17.2bn, up from $16.8bn in November, while imports were $23.5bn down from $24.2bn in November.

U.S. deficit may hit recovery, Page 2

# Pleasurama in Associated Leisure bid

BY CHARLES BATCHELOR

PLEASURAMA, the casinos group, is making an agreed £63.3m cash and shares bid for Associated Leisure, the fruit machine, coach holiday and hotel concern.

Mr George Martin, Pleasurama managing director, said when the bid was announced yesterday: "This opens up new vistas. We would not rule out an expansion of the coach and hotel operations."

Mr Nat Solomon, Associated Leisure managing director, said: "We will do better more quickly under Pleasurama. We were an awkward, intermediate size—big enough to attract outside interest but not big enough to be immune to a hostile bid."

Pleasurama is offering one of its own 5p shares and 440p in cash for every five Associated Leisure shares. At Pleasurama's closing price of 322p yesterday—a fall of 2p—this values each Associated Leisure share at 152.4p. Associated's shares fell 3p yesterday to 147p—5.4p below the offer price.

Pleasurama will issue about 3.3m shares to fund the deal and pay about £36.6m cash. The Associated directors, who own 4.4 per cent of their company's shares, are recommending that shareholders accept.

The bid announcement comes six weeks after Pleasurama's £56m offer for Trident Television, another leading casino operator, was blocked by the Monopolies and Mergers Commission.

Associated Leisure is Britain's largest renter of coin-operated amusement machines with 25,000 fruit machines, juke boxes, pool tables and video machines installed in pubs and clubs around the country. It estimates it has a 20 per cent share of the coin-operated machine market.

Amusement machines are expected to contribute 60 per cent of this year's profits which analysts estimate will be around £7.5 pre-tax. In the first half of 1983 it made a profit of £3.7m on turnover of £30.5m. At January 2, 1983 it had net assets of £17.4m. Two years ago Associated went into coach holidays and now carries 260,000 holiday-makers a year.

Mr Martin said Grand Metropolitan, the casino and leisure group which has 29.9 per cent of Pleasurama, making it the largest shareholder, had been told of the proposed deal and could, "see the sense of it." The Gaming Board, which regulates Associated's fruit machines and Pleasurama's casinos was "relaxed" about the link-up.

Lex, Back Page

# Doubts on British rebate from EEC

BY IVO DAWNAY IN BRUSSELS

THE EUROPEAN Commission's financial controller is seeking a repayment of 775m European currency units from the UK in a move which adds a new twist to the acrimonious debate over Britain's rebate from the EEC budget.

The sum, coincidentally almost exactly equivalent to Britain's £475m rebate claim for 1983, is sought as a reimbursement of Community payments to UK dairy producers in 1978-1979.

Sir Carlo Facini, the financial controller, said the money should be returned because there were "irregularities" in the system of payments made by the Milk Marketing Board.

His report will be examined by the EEC Commissioners within the next fortnight.

Officials of the Commission's legal and agricultural departments are understood to dispute its findings, which could give Commissioners the option of ignoring the demand for repayment.

Nevertheless, a row could develop over the issue, which seems likely to be pursued by those strongly opposed to Britain's budget rebate claims.

The first revelations of the financial controllers' findings came yesterday in La Lettre Europeenne, a French-language newsletter, under the headline "Incredible but true: How to repay Maggie without paying a sou."

The Agriculture Ministry said last night that it was considering its response. The Milk Marketing Board refused comment.

The roots of the financial controller's claim lie in a long-standing row over the Milk Marketing Board's multi-tiered pricing system for milk. This allows different rates of support for producers depending on the end-use of their milk.

The criticism by other EEC countries has been taken up by the European Commission, which is contesting the legality of the UK's system through two cases lodged with the European Court.

If the court finds against Britain, further reimbursement may be sought for the years since 1979.

The Foreign Office said last night: "The British Government does not accept that there were any irregularities in respect of the Milk Marketing Board, but is discussing with the Commission a number of points raised by them."

The view in Whitehall is that there can be no connection between the alleged overpayments and Britain's budget rebate for 1983.

# Brazil signs $28bn rescue package

By William Hall in New York

BRAZIL YESTERDAY completed a $28bn (£20bn) rescue package aimed at ensuring it can survive 1984 without asking its creditor banks for yet more money.

Mr Bill Rhodes, senior vice president of Citibank, who heads the 14-strong Brazil advisory committee, said the when work on the rescue package started last summer it was called "Mission Impossible" many people around the world.

Even two months ago few people thought Brazil could raise $6bn of "new money," as Mr Rhodes. "Today we are $6.5bn and the market ... the ... in," he added.

In addition to the $6.5bn ... lender's refinancing package includes rescheduling $4bn of 1984 maturities, ... $10bn of trade finance lines ... about $6bn of interbank lines.

### 'New money'

The signing of the rescue package was delayed because of the difficulty in getting enough banks to contribute to the $6.5bn target for "new money."

Citibank declined to say how many banks had refused to join. Some close to it put ... the largest sum ever raised by a sovereign borrower in the Euromarkets.

The initial $3bn disbursement will take place within the next few weeks.

Its immediate impact will be to wipe out the $1.7bn of ... arrears on Brazil's commercial debt. The country is about 9 days late with its payments.

Senor Ernane Galveas, Brazil's Minister of Finance, estimated its exports would total $25bn and imports would total $16bn this year making $9bn trade surplus attainable.

Brazil's economic recovery depended very much on the "continued pickup in international trade," Mr Rhodes said.

He expected the growth of OECD gross national product to ... year and this was important ... Brazil were to reach its trade surplus target.

IMF resists Chilean plan for reflation, Page 2

# Nigeria debt group formed

BY QUENTIN PEEL

MORE THAN 50 companies exporting to Nigeria, and several trading associations representing smaller concerns, yesterday formed a 10-member steering committee to negotiate with the Nigerian Government on rescheduling outstanding trade bills.

The group includes British, other European, U.S. and Japanese manufacturers and trading houses. It intends to approach the Nigerians next week for talks on the country's arrears in trade payments, currently estimated to total $6bn (£4.3bn).

A meeting of the exporters was held in London yesterday at the offices of Morgan Grenfell, the British merchant bank, a member of the steering committee. The bank was appointed financial adviser. Further meetings of potential members are expected to be held in several European capitals.

The group is seeking to negotiate terms with the Nigerians on uninsured trade debts. These are estimated to represent more than half the $6bn outstanding.

A Nigerian delegation spent the past week in Europe meeting British, French and West German officials to discuss refinancing of about $2bn in payments covered by their respective export credit agencies.



## MARKETS

| DOLLAR |
|---|
| New York Lunchtime: |
| DM 2.8175 |
| FFr 8.632 |
| SwFr 2.24375 |
| Y234.25 |
| London: |
| DM 2.828 (2.8125) |
| FFr 8.636 (8.6175) |
| SwFr 2.2475 (2.2375) |
| Y234.25 (234.05) |
| Trade-Weighted 131.8 (131.5) |
| Tokyo close Y234.25 |
| U.S. LUNCHTIME RATES |
| Fed Funds 9⅜% |
| 3-month Treasury Bills: 8.99% |
| Long Bond: 107⅞ |
| Yield: 11.69 |
| GOLD |
| New York Comex Feb latest $370 |
| London: $369.375 ($367.375) |

| STERLING |
|---|
| New York lunchtime $1.406 |
| London: $1.4035 (1.407) |
| DM 3.9625 (3.96) |
| SwFr 3.1575 (3.15) |
| FFr 12.1025 (12.12) |
| Y329 (329.5) |
| Trade Weighted 81.9 (82) |
| LONDON MONEY |
| 3-month interbank: mid rate 9⅛% (9⅞) |
| 3-month eligible bills: buying rate 8⅞% (8⅞) |
| STOCK INDICES |
| FT Ind Ord 839.5 (+4.4) |
| FT-A All Share 504.73 (+0.2%) |
| FT-A long gilt yield index: High coupon 10.21 (10.18) |
| New York lunchtime: |
| DJ Ind Av 1,225.29 (−4.4) |
| Tokyo: |
| Nikkei Dow (10,180.95 (+1.3) |

Chief price changes yesterday, Back Page

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# Kohl faces test in handling Kiessling case

BY RUPERT CORNWELL IN BONN

CHANCELLOR Helmut Kohl flies home this weekend from his taxing visit to Israel to face two delicate decisions: whether to dismiss his beleaguered Defence Minister Herr Manfred Woerner, and if so, how to replace him with the least disruption possible.

The two men are due to meet on Monday, and for the time being official spokesmen are still rejecting suggestions that Herr Woerner's handling of the "Kiessling affair" will force him out of his job.

Few observers hold out much hope that the Minister can survive. Instead, speculation yesterday shifted to his possible successor—and whether he might be Herr Franz-Josef Strauss, Herr Kohl's rival and leader of the Bavaria-based CSU.

Earlier this week in Israel, the Chancellor described as "rubbish" talk that he was contemplating replacing Herr Woerner. A defence ministry spokesman yesterday moreover insisted that Herr Woerner intended to ride out the storm and stay on.

But if Herr Kohl is obliged to change his mind, then his main task will be to avoid a wholesale reshuffle that might increase the influence of Herr Strauss.

However the departure of Herr Woerner, who belongs to the Chancellor's CDU party, would increase demands for the immediate resignation of Count Otto Lambsdorff, the Economics Minister, as well.

Count Lambsdorff, a key figure in the Free Democrat (FDP) coalition partners, is under indictment for having taken bribes from the Flick industrial concern. Although he denies all charges, he would have little choice but to resign should the case come to court.

Yesterday, Die Welt newspaper reported a conversation with Herr Strauss, in which the latter called for sweeping Cabinet changes. Although Herr Strauss denied making such remarks, the episode has added to political jitteriness.

The credibility of Herr Woerner has been heavily weakened by the disclosure of his meeting at the Defence Ministry last Friday with the ex-editor of a Swiss magazine for homosexuals at which a senior adviser to the Chancellor was also present.

The ex-editor, M Alexander Ziegler, claimed to have evidence of the homosexual leanings of Gen Günter Kiessling. It was for this reason that Herr Woerner ordered the general's dismissal last December, on the grounds he was a security risk.

Woerner . . . credibility weakened

# IMF resists Chile plan for reflation

By Robert Graham

CHILE'S INSISTENCE on a modest reflation of its depressed economy is meeting strong resistance from the International Monetary Fund. The Fund has delayed approval for Chile's plans to raise the public sector deficit and this in turn is creating doubt about the amount of fresh money the latter will have to borrow in 1984.

A team from the Fund is currently in Santiago attempting to reach a compromise agreement. The team is also there to monitor Chile's economic performance in order to permit the drawing in February of a SRD54m (£40m) tranche of a standby facility agreed last January.

The Chilean Government wants to raise the public sector deficit from 2.3 per cent of GDP to 5 per cent. It argues that the three-year-old recession is bottoming out and that a further injection of public sector funds is essential to stimulate recovery, according to a Central Bank of Chile spokesman. In 1982 the Chilean economy declined 14 per cent, and last year on provisional estimates it declined a further 4-5 per cent. However, in the last quarter officials maintain the decline was halted and there are now signs of positive growth.

The IMF is understood to be concerned at the sharp increase sought in the public sector deficit. In March last year the Fund reluctantly permitted Chile to raise the public sector deficit from 1.7 per cent of GDP to its current 2.3 per cent.

At the same time the price of copper, which underpins the Chilean economy, has fallen below 70 cents per pound. Originally Chile had calculated its 1984 spending on a copper price of 82 cents per pound. This now means that Chile's fresh international borrowing needs will be around $1bn. This year Chile is due to pay $1.8bn in interest on its foreign debt of $18bn.

● Ecuador has reached an agreement with the steering committee of its creditor banks to reschedule $300m of foreign debts falling due in the first half of this year, Sr Pedro Pinto, the Finance Minister, said, Reuter reports from Quito.

# Cincinnati Milacron plans to start robot production in Austria

BY PETER BRUCE

CINCINNATI MILACRON, the world's biggest producer of machine tools and a major supplier of industrial robots, said yesterday that it planned to begin manufacturing robots in Austria by July this year. Milacron is the second major U.S.-based robot producer to expand its presence in Europe in just over a year.

Unimation, a Westinghouse subsidiary whose position as the traditional U.S. market leader is being threatened by Milacron, last year announced a £10m expansion of its small manufacturing facility at Telford in Shropshire.

The decision to produce in Austria is likely to disappoint the UK Government, which is leading efforts so far with little success, to establish Britain as a significant source of industrial robot production. Milacron has its major European machine tools plant in Birmingham, which was rejected as a possible base for making robots.

A Milacron official said a number of components for the Austrian robots would be produced in the UK, but the plant built near Vienna three years ago to produce plastics processing machinery could more quickly absorb robot production. There was a need for speed, the official said, as European sales had grown sharply over the past year and the strength of the dollar was making importing into Europe unattractive.

The decision to begin manufacturing in Europe, at first with a large robot aimed mainly at the motor industry and other heavy duty spot welding markets, will step up the intense competition for a share of the European robot market, worth an estimated $100m last year.

# Continental Airlines breaks off talks with pilots' union

BY TERRY DODSWORTH IN NEW YORK

CONTINENTAL AIRLINES, the embattled U.S. carrier, landed a further blow on its trade union opponents yesterday when it broke off negotiations with the Airline Pilot's Association on the status of striking pilots.

The company said it had been unable to accept in the talks that pilots returning to work should be allowed to displace employees who had kept the airline flying through the 120-day dispute.

By taking this tough line in the talks, the airline is demonstrating its increasing confidence in its ability to reorganise the group's wages structure as it sees fit without being grounded by either legal or union action.

Earlier this month, Continental defeated a court move by the unions to halt its Chapter 11 bankruptcy filing—a system which allows some protection from creditors during a reorganisation—on the grounds that it was aimed at cutting wages.

The airline itself will be going to court on Monday to try and obtain a formal ruling that it can tear up its labour contracts and start afresh. This would give a legal base for action which the company has already carried out in restarting the airline with a workforce which is being paid only half of its original rates in many cases.

Continental said yesterday its aircraft were currently flying about 55 per cent of capacity and, by the beginning of next month, it expects to be operating at 65 per cent of its pre-re-organisation size.

The company has been attracting passengers through an aggressive fare discounting scheme, but claims to be operating at present within its cash flow.

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# U.S. deficit may hit recovery, says W. Germany

By Jonathan Carr in Davos

THE West German Government has warned that the failure of the U.S. to solve its budget deficit problem could bring a sudden dollar crisis and a worsening of the international debt situation.

Herr Hans Tietmeyer, State Secretary for International Monetary Affairs at the Bonn Finance Ministry, said yesterday the budget deficit was one of the key factors which might undercut the present Western economic recovery.

He told political and business leaders gathered here for the annual symposium of the European Management Forum that it was wrong to put all the blame on the U.S. for pressure on international capital markets and high interest rates.

"Nonetheless the sheer size of the present—and as far as we can see—future U.S. deficit, in absolute terms as well as in relation to U.S. domestic savings, faces us with a top priority problem." Herr Tietmeyer said.

In mentioning the link between the deficit and a possible dollar crisis, Herr Tietmeyer has now said publicly what Bonn monetary officials have been stressing in private.

Their fear is that the dollar, spurred by budget deficit-induced high interest rates, might rise well beyond even its present level—then collapse as investors take more note of the U.S.'s sharply increased current account deficit.

# French troops extend Chad 'buffer' zone

BY DAVID MARSH IN PARIS

FRENCH troops in Chad have been ordered to extend northwards the East-West "buffer zone" separating the two halves of the country, in a limited military riposte to Wednesday's downing of a French Jaguar jet by Libyan-backed rebels.

The move, announced by the Ministry of Defence in Paris last night, follows close consultations between President François Mitterrand and senior Ministers to work out a firm response to this week's setback.

France, which has blamed Libya for the shooting down of the aircraft but wants to stop short of all-out confrontation with Tripoli, is also sending reinforcements of Mirage and Jaguar fighters to Chad to back up its five-month old military presence there.

The French-defended demarcation zone separating the rebel occupied north and the government-held south of the central African country has effectively moved northward by about 140 km as a result of the latest move.

This week's loss of the Jaguar and the killing of its pilot represents the first acknowledged French casualty since about 2,800 soldiers were sent to Chad last August to support the Government of President Hissene Habre.

The downing of the jet followed a rebel incursion south of the "peace line" in which two Belgian doctors were also taken prisoner. By extending the buffer zone northwards from a line linking Salal and Arada to a new one linking the townships of Koro-Toro and Oum-Chalouba, the French Government has made it clear that any rebel troops occupying this area would be engaged by French forces. There was no word last night from Paris of any fighting.

# Hassan wins fourth term in Gibraltar election

GIBRALTAR — Veteran politician Sir Joshua Hassan was today re-elected chief minister of Gibraltar for the fourth successive term following elections in the tiny British colony.

Sir Joshua, 68, who has dominated Gibraltarian politics for the past three decades, won a majority in the 15-seat House of Assembly when his Gibraltar Labour Party Association for the Advancement of Civil Rights gained eight seats in yesterday's poll.

The main opposition party until now, the Democratic Party for British Gibraltar led by Mr Peter Isola, suffered a humiliating defeat in the polls.

It was routed by the union-backed Gibraltar Socialist Labour Party of Mr Joe Bossano, which gained the remaining seven seats.

Mr Bossano was his party's sole representative in the last House of Assembly.

The central issue in the election was the planned closure of Britain's naval dockyard on the Rock. Mr Bossano's party rejected a London-backed plan to commercialise the yard.

Sir Joshua, who helped negotiate the plan, said he was happy about the result and did not feel that the surge in support for Mr Bossano's party was a criticism of his handling of the issue.

The question of Spain's claim to the Rock, captured by the British in 1704, was not an issue in the election.
Reuter

# Paris tightens meat curbs at frontier posts

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government had yesterday drawn up its revised and reduced list of the number of border posts at which foreign meat can be imported into France.

The Ministry of Agriculture, however, declined to reveal the details last night. Still under discussion within the ministry was whether importers could clear customs and health controls at inland posts including the main Paris fruit and meat market at Rungis close to the capital.

French officials saw no pressing need for hurry as frontiers will remain closed to imports of Dutch pigs over the weekend. Officials said that France had not yet received the EEC Commission's demand that the borders—closed a week ago following the spread of foot and mouth disease among Dutch pigs—be opened on Monday.

The accelerated pace of Dutch exports of pork was a major factor behind this week's disturbances in Brittany.

Though coy on the impact of the new measures on meat imports, French officials leave no doubt that the intention is to slow down sales of foreign meat in France. The restrictions were decided by the cabinet on Wednesday in the face of mounting violence in Brittany and were justified by the need for more effective health controls.

هكذا صدر الأصل

# Australians warned over inflation

By Michael Thompson-Noel in Sydney

WITH AUSTRALIA'S inflation rate at least twice that of the U.S. and other major trading partners, the country's economic recovery was still in a "highly critical phase," Sir Noel Foley, chairman of Westpac Banking Corporation, Australia's biggest bank, said yesterday.

He added that to benefit from the economic upswing in the major industrialised countries, Australia needed to "re-establish a reputation for reliable delivery and for competitive pricing" in order to withstand the export thrust from other suppliers of fuels and raw materials in Africa and South America.

On Thursday, it was revealed that Australia's rate of inflation, as measured by the consumer price index, had risen by 8.6 per cent in the 12 months to December 1983, against 9.2 per cent in the year to September 1983, and 11 per cent in the 12 months to December 1982.

Inflation in the latest December quarter was 2.4 per cent, against only 1.6 per cent in the September quarter, triggering fears among employers that Australia's fragile economic recovery would soon be jeopardised.

# U.S. wants cash for Beirut arms

BY PATRICK COCKBURN IN BEIRUT

THE U.S. demand for immediate cash payment for the $1bn worth of military equipment to be purchased by the Lebanese army in 1984 is causing severe financial difficulties to the Lebanese Government.

The 34,000-strong Lebanese army is at the centre of President Reagan's attempt to build up the Government of Lebanese President Gemayel so it can withstand Syrian pressure. However, the White House's failure to offer credit terms will plainly hinder attempts to strengthen it as a force.

Last year, the Government spent $1.2bn in foreign currency on military equipment. Almost all of it is of American origin and includes tanks, artillery, shells and military vehicles. Total Government spending in 1983 was estimated to have been about $2.7bn.

The Lebanese army has equipped and trained three new brigades, each with one tank battalion of 34 tanks, since the war in the Chouf mountains last September. Another brigade is almost ready for operations. The ultimate aim is to create an army of 10 brigades with a strength of 60,000 men.

The Government is very short of money, relying largely on borrowing from the 91 Lebanese banks in the form of three-month treasury bills and from the Central Bank. Lebanese economists and officials are distressed by the inability of Washington to offer them credit for arms purchases. President Reagan's administration presumably fears that military credits or loans would fuel discontent over U.S. involvement in Lebanon.

Reuter adds: Lebanon's opposition Druze yesterday rejected an offer by the Government to reinstate Druze soldiers in the army.

Prime Minister Shafiq al-Wazzan said yesterday the Druze officers and soldiers who refused to fight against Druze militiamen in last September's mountain war would be invited to rejoin. The men are now in an army barracks in the Druze-held village of Hammana.

"We reject the plan. We cannot accept it," a spokesman for the Druze progressive socialist party (PSP) said. The soldiers object to the "biased" policy of the army and say they want an army command "which will be for all the Lebanese and not in favour of one faction and opposed to another."

# Low turnout in Manila poll

BY EMILIA TAGAZA IN MANILA

VOTING IN the Philippines national referendum on constitutional changes proceeded slowly yesterday, with less than half the country's registered voters turning up at the polls.

Apathy at the polls stands in stark contract to anti-government demonstrations and rallies in the wake of the killing of opposition leader Benigno Aquino in August.

The main proposal in the referendum re-creates the office of vice-president as presidential successor, a post that will be filled in the presidential election, scheduled in 1987.

Although the election's commission reported a 70 per cent turnout of voters, random surveys by independent groups showed that only 30 to 40 per cent of the electorate had voted.

Opposition groups and parties have called for a boycott of the referendum.

Reuter adds: Police said that at least eight people were killed and as many wounded in separate incidents in the southern Philippines as voters cast their ballots. Police also reported that there had been more than 50 cases of ballot box theft by armed gangs.

# Lisbon legalises abortion

BY DIANA SMITH IN LISBON

PORTUGUESE socialist and communist deputies have succeeded in passing a private member's Bill legalising abortion in limited cases. The social democrat partners in the socialist-led coalition government and Christian Democrat opposition deputies opposed the Bill.

The vote came after emotional debates and noisy street demonstrations for or against the Bill. The Roman Catholic church, very powerful in rural Portugal but losing influence on the urbanised young, waged a fierce anti-aboration campaign—but opinion polls show that two thirds of the population favour limited legalisation of abortion.

There are signs that the President of the Republic, Gen Antonio Ramalho Eanes may veto the Abortion Bill. This would avert the need for drastic action by social democrat leaders who felt duty bound because of the religious views of some prominent colleagues, to warn that the coalition could topple if the Abortion Bill passed.

● The Portuguese cabinet has ordered the sacking of 1,000 workers at the loss-making nationalised Setenave shipyard.

# Sony signs VCR pact with Peking

By Jurek Martin in Tokyo

SONY appears to have stolen at least a temporary march on its competitors with the announcement that China's first production of video cassette recorders will be of the Sony "Beta" type.

The company said yesterday it had signed technical assistance, licensing, and patent agreements with the central government in Peking and with the local authorities in Fujan, by which a newly-formed Chinese enterprise will manufacture Beta-type VCRs.

The Chinese concern plans to produce a minimum of 300,000 VCRs over the next six years, starting in September this year, at a new facility in the Amoy special economic zone.

A Sony official emphasised that the company has made no capital investment in the VCR project, though it is in the process of establishing a joint venture in Peking to produce large screen video projection systems.

The Chinese authorities are known to be negotiating with, among others, Matsushita, the major manufacturer of the rival VHS-format which now increasingly dominates the world market for home video equipment, outselling Beta by at least a 70-30 margin.

# Nissan expected to make final decision on UK plant soon

BY JUREK MARTIN IN TOKYO

A NISSAN decision to invest in Britain would appear to be imminent; according to industrial and diplomatic officials here last night.

However, the scale of the investment may be considerably less than the 200,000 cars a year envisaged when the second largest Japanese car company first announced its intent to manufacture in Britain almost exactly three years ago.

Nissan yesterday said the protracted talks between management and the company's union, under Mr Ichiro Shioji, were now being "energetically" carried out, were "making progress" and that an announcement was likely "before too long."

British diplomatic representatives here who have been staying in close touch with Nissan also insisted that they had not been told formally by the company that a final agreement had been reached, but they, too, implied that real progress had been made.

Both the company and the British embassy were responding to a report in yesterday's edition of the Mainichi, one of Japan's leading dailies, which said the two sides had reached "basic agreement" and that what was described as a "for agreement" was expected the remaining days of month.

As soon as this was effect Mainichi reported, Niss senior executives, led by president, Mr Takashi Ishiha were expected to fly to Lon to present its proposals to British Government. Nis simply declined to confirm deny the Mainichi report.

But the Japanese newspa also reported that the plan n on the table consisted of a t stage Nissan investment—st ing with assembly of 30, knocked-down passenger car year and eventually moving to full-scale manufactu perhaps after two years, 100,000 vehicles annually, a site as yet undetermined.

Again, both the company a the embassy refused to say this was accurate. What sho be borne in mind, however, that though the three year s of Nissan's UK project has h many false starts and has gen ated many erroneous repo local newspapers are routin used by Japanese corporati to announce substant decisions before forei governments or foreign insti tions are informed of them.

# Yugoslavs hope for a profitable Olympics

BY DAVID BUCHAN AND ALEKSANDAR LEBL

FOR YUGOSLAVIA, the Winter Olympics which start in Sarajevo on February 7 simply have to be a money-spinner. As the first developing country ever to host the Winter Olympiad, and currently plagued by foreign debt problems, Yugoslavia is in no position to absorb costs in the way that the two previous hosts, the U.S. in 1980 and Austria in 1976, could.

In fact, the Yugoslavs look likely to make a tidy profit, perhaps $80m.

The idea of putting Yugoslavia in the world ski resort league was born in—of all unlikely humdrum places—the Organisation for Economic Co-operation and Development in Paris. In 1968. The OECD calculated that the Sarajevo region had unexploited potential for as many as 60,000 downhill had cross-country skiers.

The gleam in the OECD eye became a dream for local leaders in Sarajevo and the surrounding republic of Bosnia who, it is said, won the ear of the late President Tito on one of his many bear-hunting expeditions to the region. So, in 1978 when it was still riding high on borrowed money and Tito's prestige, Yugoslavia won its bid for the 1984 games.

Plans, however, had to be tailored to more straitened times. Sarajevo, a city better known for the Archduke Ferdinand's fateful assassination 70 years ago, had to be given an almost brand new ski resort infrastructure. But "we are not burdened with ambitions to overshadow former games," Mr Branko Mikulic, the Yugoslav games organising committee's chairman, says.

So the more extravagant schemes were jettisoned, and the total cost brought down from $160m to $130m.

The sports facilities were completed in time for trials last winter. Accommodation has taken longer to expand, but the organisers claim to be able to house 30,000 people in new hotels, renovated student rooms and private houses, and another 12,000, if need be, within a 40-mile radius of Sarajevo.

To the naturally out-going Bosnians, money-raising came easier than cost-cutting. The godsend was the payment by the U.S. television network, ABC, of no less than $91.5m for exclusive coverage rights, of which $66m went to the Yugoslav organisers.

The sale of Olympic promotion right, to such companies as IBM, Kodak, Mitsubishi and Rank Xerox, has brought the total hard currency haul for Yugoslavia up to around $100m. Against this has to be offset only some $20m in hard currency costs, mainly to buy foreign television, sound and timing equipment.

Further foreign currency receipts depend on how many foreigners come to Sarajevo and how much they spend. The advance estimate is that 15,000 foreigners will come (nearly 40 per cent from the U.S.) and up to 50,000 Yugoslavs.

The big conundrum is whether Sarajevo can survive, beyond the games, as a major ski resort. Skiing is not by any means a mass sport in Yugoslavia. But of course Yugoslav imaginations could be fired if their skiers ended up in the medals. The Yugoslav skiing cognoscenti are pinning their hopes on one Bojan Kriczaj, fourth in the Lake Placid slalom, to go at least one better this year

# Government will not act on Reuters sale

BY KEVIN BROWN

THE GOVERNMENT will not intervene in the proposed Stock Exchange flotation of Reuters news agency, Mr Kenneth Baker, the Information Technology Minister, told the Commons yesterday.

He said there was no case for government action to guarantee the independence of the agency's news service. He rejected an inquiry into the sale, and made clear the Government had no intention of calling for talks with the Reuters board.

The controversial flotation could raise up to £1.5bn for the newspaper groups which own Reuters. But the bait for investors would be the agency's rapidly developing electronic information network, rather than its unprofitable news service. Its operating profits rose from £4.1m in 1980 to £36.5m in 1982.

The Government has come under pressure to test the flotation's legality and to guarantee the agency's editorial integrity once the shares are on open sale.

Mr James Callaghan, the former Prime Minister, was among several Labour MPs heavily critical of the Reuters board during yesterday's debate.

He said parliament was entitled to be concerned about the sale because the agreement under which Reuter operates was negotiated by Mr Brendan Bracken, the wartime Minister of Information.

Sir Bernard Braine, Conservative MP for Castle Point, was also critical.

The agency is owned under a 1941 agreement by the Newspaper Publishers' Association, representing British national newspapers; the Press Association, on behalf of provincial newspapers; and the Australian and New Zealand Press Associations.

The biggest shareholders are Associated Newspapers, which publishes the Daily Mail, Fleet Holdings, publishers of the Daily Express (12 per cent each), and News International, which publishes The Sun and The Times (11 per cent). The Financial Times also has a small stake.

Concern has centred on the board's contention that the agreement is a contract between shareholders, rather than a charitable trust.

This throws into doubt clauses requiring shareholders to regard their holding as a trust, rather than an investment. It would also nullify a need for the Lord Chief Justice to approve any ownership change.

Reuters has said the intentions of the trust will be maintained, probably through a special shareholding which could resist unwelcome bids. Institutional investors are known to be unhappy at the curtailment of voting rights this would entail.

# Platinum noble sales hit £10m in two months

By Colin Millham

THE Isle of Man sold more than 35,000 of its new coin, the platinum noble—worth in total about £10m—from the launch last November until the end of the year.

The coin contains one ounce of platinum, and enables investors to hold the metal in the same way as they can purchase gold in Krugerrands.

During the same period 567,922 ounces of Krugerrands were sold, bringing the total for the year to 3.49m ounces compared with 2.56m ounces last year.

The noble is legal tender in the Isle of Man, and appears to have met with initial success not only in the British Isles, but also in West Germany and Switzerland.

Commenting on the first two months sales Mr Brian Nathan, managing director of Ayrton Metals, which is marketing the coin, said: "These initial sales confirm our belief that there is increasing interest in platinum as an investment metal, and a market for a legal tender platinum coin."

# MacGregor gives warning on moves to curb 'acid rain'

BY DAVID FISHLOCK, SCIENCE EDITOR

POLICY DECISIONS on "acid rain" should be founded on facts, not on assumptions and suppositions, Mr Ian MacGregor, National Coal Board chairman, told the Newspaper Conference in London yesterday.

Even though there was no scientific agreement about the cause of acid rain, action could be forced on some energy producers that would be so expensive their products would become uncompetitive, affecting the number of jobs they could offer.

They would not be the only companies to suffer. Mr MacGregor said: "Higher energy costs would mean their customers could also be greatly disadvantaged against their competitors.

"There is a distinct possibility that after we have crippled some of our basic industries we could then find we had not solved the problem."

Mr MacGregor said that if all industrial activity "ceased tomorrow," there would still be acid rain "and there always will be."

He offered examples of places remote from any industry, such as islands in the South Pacific, which had recorded highly acidic rain. The reason had to be natural causes such as volcanic activity, he said.

Mr MacGregor went on: "Nearer home we have heard a good deal about the effect on fisheries in Galloway. But the prevailing wind in that district is not from the south-east where the industrial installations lie but from the south-west, a region containing comparatively little industrial plant."

He said it would be "folly to adopt enormously expensive counter-measures which might in 20 years prove to have been unsuccessful."

The NCB, in a joint initiative with the Central Electricity Generating Board, has put up £5m for a research programme that will try to supply some of the missing facts in the acid rain controversy.

The money has been pledged to the Royal Society, Europe's foremost scientific society, which has agreed to mount and manage a research programme independent of its sponsors.

It has been attacked by environmentalists as a delaying tactic.

Earlier this week, however, the Royal Society published a report on the nitrogen cycle in Britain which concluded that nitric acid played a much more important role in acid rain than had previously been believed.

# P & O chief asked to join TV talks

BY RAYMOND SNODDY

THE Government has asked Mr Jeffrey Sterling, chairman of Peninsular & Oriental Steam Navigation, to act as "honest broker" in talks over the future of direct satellite broadcasting (DBS) in Britain.

Mr Sterling has been a special adviser to the Industry Secretary since 1982 and was reappointed when Mr Norman Tebbit took the post last year.

Mr Sterling chaired last week's meeting at the Trade and Industry Department when all sides in the DBS issue, from broadcasters to satellite makers, got together to see if there was enough common ground for co-operation.

At a meeting a tripartite working party was set up to examine the feasibility of co-operation to try to save the BBC's satellite plans from collapse. The group, which brings together the BBC, the Independent Broadcasting Authority and the Independent Television Companies' Association has been meeting almost every day this week.

Many influencial figures in British broadcasting believe that the only way the £350m DBS project could succeed is if the BBC and the ITV companies can set aside their traditional rivalry and find a way of cooperating in space to share the risk and cost.

Mr Sterling has played a similar role in helping to persuade British competitors to co-operate. He was instrumental in getting the makers of System X, the electronic digital telephone exchange to collaborate in new production techniques.

Earlier this week British Telecom said that by the end of 1986 orders for System X from the makers—Plessey and GEC—should total £1.25bn.

Some sides in the DBS debate see Mr Sterling having a key continuing role until the matter is settled either way.

The DTI, however, said yesterday it was simply calling on his wide commercial experience as it had done from time to time in the past.

Earlier this week Mr Stuart Young, chairman of the BBC made it clear that if agreement with ITV was not possible it would not mean an end to the corporation's DBS plans. The BBC would, however, time its entry to ensure there was no risk of financial loss to the licence payer.

Mr Jeffrey Sterling



# Naval yards may be worth £170m says stockbroker

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE WARSHIP yards of British Shipbuilders, which the Government plans to privatise, could be worth about £170m, according to stockbroker Grieveson, Grant.

The method of privatisation has not been decided, but one alternative to a public flotation would be a sale to a consortium of defence contractors, it said in a study of the naval equipment and shipbuilding sector.

Most of the valuation of the profitable warship yards would be accounted for by the Vickers yard in Barrow-in-Furnesss, Grieveson, Grant said this could be worth £80m. Much of ithe likely UK naval ordering in the next few years would be concentrated there.

The study did not discuss the future funding of the £230m expansion of shipbuilding facilities at Vickers.

Other City observers said the price for the warship yards would have to reflect this. The work has begun, but the money will be spent over the next few years. It has not been decided how much would be paid for by any new owner.

The stockbroking firm did however refer to the government dispute with the former owners of the Vickers, Yarrow (on the Clyde), and Vosper Thornycroft. (Southampton) yards over compensation for nationalisation in 1977.

They are pressing their case before the European Commission of Human Rights, arguing that compensation was not enough. Vickers received £14.45m for its yard, Yarrow £6m, and Vosper £5.3m.

If a price of some £80m was put on the Vickers yard under privatisation, the earlier compensation terms might be hard to justify, even though the commission has no jurisdiction over the UK government, said Grieveson, Grant.

The stockbroker's valuation did not include Swan Hunter on the Tyne and Cammell Laird on Merseyside, which build merchant and offshore vessels as well as warships.

Plans have been drawn up for 667 redundancies at Vosper this year.

# Hymac set to go into liquidation

By Robin Reeves and Ian Rodger

THE REMAINING 87 employees at Hymac, the South Wales excavator maker which went into receivership in November, have been made redundant, and the company is likely to be put into liquidation on Monday.

Mr Brian Densham, one of the Price Waterhouse receivers at Hymac, said talks would continue with potential buyers of the Hymac assets and he did not believe they would be affected by the liquidation move.

Also, the receivers would re-engage some of the Hymac staff to help realise the assets, notably through sales of spare parts.

A creditor's petition for the compulsory winding up of the company is to be presented in court on Monday and Mr Densham said it was unopposed and so was likely to be upheld.

Hymac, once the leading seller of hydraulic excavators in the UK, went into receivership after the collapse of its parent company, IBH Holdings of West Germany, early in November.

Two other UK companies associated with IBH, Terex and Wiba UK, also went into receivership in November. Last week, Blaw Knox, a maker of paving equipment and the principal subsidiary of Wibau UK, was bought by White Consolidated Industries of the U.S.

# Ford car prices to go up 3.9%

By John Griffiths

FORD YESTERDAY signalled a probable round of car list price rises by announcing an average increase of 3.95 per cent from Wednesday. As market leader Ford can expect its main rivals to follow suit in the next few weeks.

The action does not mean the industry is at last moving from the fierce price rivalry which has seemingly become a permanent feature of new car business.

One observer of the industry said last night that the rises served to cover raised production costs by providing makers with a higher base from which to discount.

By announcing the rise with three selling days to go before implication, the likely effect for Ford will be to lift its market share closer to the 30 per cent target it has set for the year overall. At the 20-day sales mark its share was 28.3 per cent.

Ford, which unlike Vauxhall and Austin Rover is not running dealer incentive campaigns, except for "run-out" bonuses on last year's models, last raised its prices in August 1983. Then the average rise was 4.9 per cent.

This brought Ford's total list price rises last year to 8.9 per cent.

Most analysts of the industry expect new car prices to rise at a rate below inflation this year, so any further increase is likely to be modest.

# Brent spot exceeds $30

BY RICHARD JOHNS

PRICES PAID on the spot market for Brent blend crude, the North Sea reference, yesterday reached and passed the official selling rate of $30 per barrel for the first time since mid-October.

Two transactions were made at $30.05 and one at $30, according to traders. The range of $29.80 to $30.05 recorded yesterday compared with one of $29 to $29.15 a fortnight ago. Refiners, particularly in the U.S., sought to build up stocks and capitalise on margins made possible by the surge in demand resulting from cold weather.

The British National Oil Corporation, meanwhile, is understood to have found customers during the first quarter for the 80,000 barrels a day formerly purchased by Chevron and Occidental which early this month opted to phase out of their contracts. The corporation is talking with interested buyers for the second quarter.

Oil traders stressed, however, that the recovery is seasonal, relating to low inventories and "winter squeeze."

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# Consumers spurn the adman's dream

By David Churchill, Consumer Affairs Correspondent

CONSUMERS are refusing to live the lifestyle dreamed up by marketing men and advertising whizz-kids, according to a report to be published next week.

The report on consumer behaviour was prepared by the Mintel market research group. It suggests that consumers—who will spend more than £250bn this year—want greater choice in where and how they spend their money.

"The British people show a refreshing refusal to follow the paths laid down for them by the pundits."

Eating out, for example, has been long predicted as a growth market in the 1980s. Yet the report shows that spending on eating out declined in 1982 and last year accounted only for some 2.1 per cent of total consumer spending compared with 2.5 per cent 10 years ago.

Cats, according to conventional marketing myth, are owned by little old ladies. Not so, says Mintel. Twice as many 25 to 34-year-olds own cats than the over-65s.

Another myth in the advertising world is that families, with experience of foreign travel, now linger over evening meals. According to the report nine out of 10 households finished their main meal by 8 pm. In Scotland, this rises to some 98 per cent of households.

The results of the Mintel research, one of the most comprehensive studies of consumer behaviour in the 80s, leads it to ask: "How many marketing and advertising plans are built on myth rather than reality?"

It suggests that "it is essential for marketing executives to break out of the narrow confines of their own industry and see the consumer's lifestyle in all its aspects."

Mintel draws other conclusions. It believes conventional retailers will continue to lose market share in the battle for consumer spending. "However, people are becoming more willing to use shop-style operations for other sorts of transactions. The building societies are a prime example and this sort of trend could well spread to other activities such as stockbroking, legal services and so on."

Consumers want more variety in brands offered and will not put up with uniformity in shopping. "There is increasing scope for specialist shops where low prices are not the main criterion. These specialists should not make the mistake of aiming only at the young; clothing retailers, for instance, have missed opportunities by competing strongly for one sector of the age spectrum while ignoring other, less crowded, potential markets."

The most important development in marketing, the report concludes, will be the realisation that once consumers have bought essentials all other markets compete with each other.

"Consumers do not meekly follow preordained trends," it says. "This is the heart of the challenge facing marketing in a society devoted to choice."

*British Lifestyle 1984; Mintel, 7 Arundel Street, London WC2. £350.*

## Pickfords buys Blue Arrow travel shops

PICKFORDS TRAVEL, the travel agency chain, has bought Blue Arrow's 11 retail travel shops. They are mainly in Hertfordshire, Bedfordshire, and Buckinghamshire. Pickfords will take them over on February 6.

Mr Tony Berry, Blue Arrow's chairman, said: "Blue Arrow Holidays, our tour operating division, plus our business house division, remain within the Blue Arrow group."

The deal takes the number of Pickford's Travel Shops to 210. It is the latest move in the policy of expansion through acquisition of the company, part of the employee-owned National Freight Consortium.

# Buyer sought for Scott Lithgow

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

BACKROOM TALKS have been taking place between the Government and industry to try to find a buyer for the Scott Lithgow yard on the lower Clyde who could complete a £88m order from Britoil for a semi-submersible drilling rig.

Britoil cancelled its contract with British Shipbuilders last December because the rig was about two years behind schedule. This decision led to 3,000 announced redundancies, and the yard is expected to close by the summer with the loss of all 4,000 jobs.

However, in spite of repeated refusals to intervene, the Scottish Office and the Department of Energy are working against the clock to put together a consortium involving a foreign company with construction experience in semi-submersibles and a UK corporation for financial backing.

Companies involved in discussions — which are still at an early stage — include Swedish offshore construction concern Gotawerken Arendal and Trafalgar House and Howard Doris, both of which operate offshore construction yards.

Britoil is still willing to have the rig completed on the Clyde and has repeatedly offered to renegotiate the contract with British Shipbuilders.

The oil company however says it will have to decide, by the end of February, where to place the order for the semi-submersible, which it needs for for a deep water drilling programme.

Contacts were made with the Swedish company because no other British company had experience building semi-submersibles. Lack of experience was one of the handicaps facing Scott Lithgow when it converted from shipbuilding to become British Shipbuilders' leading offshore yard.

Gotawerken may be keen to break into the British offshore market because the Department of Energy encourages oil companies to place large contracts with British yards.

Two obstacles in the way of a purchase are the court case British Shipbuilders has brought against Britoil over the cancellation and the financial mechanics of selling the yard.

Earlier this week the Engineers and Managers Association produced a study claiming that it will cost the Government £109m to close the yard, including a £44m payment to Lloyds Leasing, which financed the rig, and an estimated £53m in redundancy payments.

Offshore industrialists said yesterday the Government's role would be indespensable, especially in laying the groundwork to finding a buyer. This could include writing off part of the assets and transfer costs, as well as a package of financial grants

● About 500 jobs will be created by a £11.4m extension to a high-technology National Semiconductor (UK) factory at Greenock on the Clyde, which is expected to come on stream by October 1984. Fairclough Projects has been appointed projects and construction manager.

# Company failures reach record 13,421 in 1983

BY JAMES McDONALD

COMPANY FAILURES last year were a record 13,421—11 per cent higher than 1982—Department of Trade and Industry statistics show.

This record was mainly a result of a 29.9 per cent increase in compulsory liquidations, the department says in British Business, its official journal. The figures were probably affected by cases delayed during the 1981 Civil Service strike.

There was a rise of 3 per cent in creditors' voluntary liquidations compared with 1982, following steep rises in each of the three previous years.

Analysis of company liquidations for the first nine months of last year shows manufacturing sector liquidations ranged from 29.8 per cent to 33.8 per cent of the total in each of the first three quarters.

Metals and engineering companies were the main victims, accounting for between 11 per cent and 12.3 per cent of the total in each quarter, followed by textiles and clothing, where failures ranged in the three quarters between 7.9 per cent and 9.3 per cent of the total.

Company liquidations in retailing accounted for between 15 per cent and 18.9 per cent of the total in each of three quarters of last year, with motor vehicle companies and filling stations ranging between 2.7 per cent and 4.2 per cent.

Bankruptcies in 1983—*receiving and administrative orders* plus deeds of arrangement—were 23 per cent higher at 7,000 than in 1982.

Analysis of bankruptcies in the first three quarters of last year shows that 76.6 per cent involved self-employed people. Within this group, construction and retailing each accounted for 17 per cent of the total and hotels and catering for 10 per cent.

# Liberals win council seat from Labour

By Our Parliamentary Staff

THE LIBERAL-SDP Alliance has made a surprise Liberal gain from Labour in a local council byelection in the Chesterfield constituency where the parliamentary byelection is to take place soon.

The Liberals were claiming this was the ideal launch-pad for their campaign to win the parliamentary seat and defeat left-winger Mr Tony Benn who is Labour's candidate.

The Liberal victory came in the traditionally Labour New Whittington ward. It gives the Liberals their first seat on Chesterfield Borough Council.

Labour's embarrassment was greater because Mr Benn had played an active part in the council byelection.

Mr David Stone for the Liberals polled 762 votes against Labour's 676 and the Tories' 281. It was the first time in 30 years that the Liberals had fought the seat and the turnout was 53.9 per cent, exceptionally high for a local poll.

The parliamentary byelection, probably to be held in March, has been caused by the resignation of Mr Eric Varley the former Labour minister. At the general election he had a majority of 7,763 and the Conservatives came second with the Liberal Alliance third.

# Prior backed over decision not to quit

BY JOHN HUNT

MRS THATCHER fully supports Mr James Prior, the Northern Ireland Secretary, in his decision not to resign after criticisms in Sir James Hennesy's report on the breakout of 38 IRA men from Ulster's Maze Prison last September.

Mr Nicholas Scott, the junior Northern Ireland Minister in charge of prisons, is also said to have her full backing in deciding not to quit.

Mr Prior did discuss his personal situation with Mrs Thatcher in the light of the report. But he did not offer his resignation. Both ministers are said to have the Prime Minister's "full confidence."

Some Tory right wingers could call for ministerial resignations when the report is debated in the House in about two weeks' time. But most Conservative backbenchers fully support the Northern Ireland team and the Government on the matter.

Mrs Thatcher agrees with Mr Prior's assessment that the report makes it clear that Northern Ireland Department policies were not responsible for the breakout.

They base their case on the paragraph in the report which says that no personal blame should attach to the Under Se retary at the Northern Irelar Department who did his best see his divisions were equipp to do their work.

The Government's critics ar however, likely to point out th the report also says the Und Secretary was an able and co scientious officer who w "overworked and under r sourced."

One senior minister said: " would be a tragedy and victory for the terrorists if M Prior were to be pushed out l some of his critics."

There is unlikely to be stror Labour Party pressure for M Prior's resignation when th issue is debated. Mr Ne Kinnock, the Labour leader, b lieves this would be count productive.

Yesterday Mr Sydney Powel head of the prison governor branch of the Society of Civ and Public Servants, said it wa wrong that Mr Ernest Whittin ton, the Maze's governor, shoul have had to shoulder th entire burden of the criticism by resigning. It was sad he ha resigned.

Mr Powell said if Mr Prio came to grips with the glarin errors highlighted in the r port then he would retain hi credibility.

# Technical education scheme expands

By Alan Pike, Industrial Correspondent

MANY MORE schools are to be brought into a state scheme to reform technical education from September.

The Manpower Services Commission yesterday authorised 46 more local councils in England and Wales to run technical and vocational education initiative projects (TVEI). They will join 14 education authorities which have been operating private schemes since the autumn.

TVEI is also to be extended into Scotland where applications are to be invited by March for five projects.

Ministers hope the initiative will have a radical impact on the curriculum and technical education in secondary schools.

It is designed to give a new blend of technical education for 14-to-18-year-olds, across the ability range, using school and college facilities.

Authorities joining the scheme will receive from the commission up to £400,000 a year for five years to help meet costs.

The 46 authorities, which subject to further discussions have been given approval to join TVEI in September, were drawn from 68 applicants. The commission decided the remaining 22 authorities did not meet criteria.

Commission members have also approved changes in the Skillcentre adult training network. These will lead to class closures and job losses.

The plan is designed to ensure that the 87 centres, which are expected to show a deficit of about £24m this year, operate services on a full cost-recovery basis by 1986-87.

This will require a rapid exercise to target Skillcentres' efforts towards new technology and to persuade more employers to use the service.

Ministers insist on an early improvement in the centres' financial performance. Commission officials have set themselves the demanding target of increasing the services income from industry from £10m to £25m a year over the next two years. They will review progress in September.

Under proposals approved by the commission there will be no immediate closure of entire centres, though this remains a possibility.

Job losses among instructors and other staff, likely to number about several hundred, will be by redeployment and voluntary redundancy where possible. Compulsory redundancy, however, has not been ruled out.

# Brokers predict revival of bank lending to companies

BY PHILIP STEPHENS

A REVIVAL of bank lending to companies in 1984 is indicated by slower growth in corporate profits and a pick-up in investment, says broker Phillips & Drew.

It forecasts in a report on company finances that corporate bank borrowing in sterling will rise to about £3bn this year compared with about £½bn in 1983.

The increase could cause problems for the Government in meeting monetary targets and may put upward pressure on interest rates if personal sector credit remains buoyant as expected, it says.

Phillips & Drew says the pick-up in company loan demand reflects its prediction that, excluding North Sea oil, profit growth will slow to 12 per cent in 1984 from 23 per cent last year.

That will coincide with renewed stockbuilding and a 10 per cent rise in investment by non-oil businesses as investors' confidence in a continuing recovery increases.

Rights issues, which last year generated some £1½bn, are expected to remain a major source of capital but will not take such a large share of total borrowings.

Laing & Cruickshank, broker, also predicts a rise in corporate bank borrowing which is expected to total £3.5bn this year.

Falling demand for consumer credit will more than compensate for any increased pressure on monetary aggregates, it forecasts.

L. Messel, broker, says bank lending to companies may total £6.5bn.

# Crane hire industry strike to be urged

By David Brindle, Labour Staff

A NATIONAL STRIKE in the crane hire industry from February 13 is to be urged by shop stewards representing drivers in Scotland and the North.

The strike call will be discussed in Sheffield on February 7 at a meeting of stewards from all over the country, representing about 2,000 members of the Amalgamated Union of Engineering Workers' construction section.

The proposal for an indefinite stoppage is being made to bring to a head a long-running dispute over pay. It is highly uncertain, however, that support would be solid.

A series of one-day strikes has received only patchy backing, particularly in England.

Scottish and northern stewards believe an official strike would galvanise wavering members. They acknowledge that drivers at some depots have grown disenchanted with one-day stoppages.

The dispute arose from the failure to agree terms for the 1983 national pay claim and the employers' imposition on November 7 of a 3.5 per cent rise after the AUEW terminated the national agreement.

The employers, grouped in the Construction Plant-hire Association, are offering the union a "skeletal treaty" linking the crane-hire sector to the engineering construction industry national agreement. They say "there is no way" the union can again have its own agreement.

## Talbot engineers accept 7½% deal

TALBOT'S 130 toolroom engineers in Coventry yesterday accepted a 7½ per cent annual pay rise over which they originally threatened to strike. They decided to take the same deal as the rest of the car company's 5,000 workforce. The engineers had claimed a pay differential bonus.

# Sogat makes Times action official

BY DAVID GOODHART, LABOUR STAFF

THE TIMES today failed to appear for the second day as Sogat '82, the general print union, made official a dispute over the reallocation of managerial library duties.

It now involves about 1,400 workers and, with no prospect of peace talks, is expected to hit tomorrow's Sunday Times. By Monday the dispute will have cost Times Newspapers about £1.5m.

Mr Bill Gillespie, managing director, said yesterday: "The dispute has come at a time when we were just about to *break even and our circulation* has increased to over 380,000."

About 550 clerical workers at the two papers have been on strike for more than two weeks. National union officers and most of the other Sogat chapels have been reluctant to get involved. However it was inevitable the dispute would be made official and stop production after talks broke down on Thursday night and management sacked 750 Sogat members.

The dispute started with the appointment of Mr Mike Roffey, a photo sales manager as picture librarian and of Mr Fred Sayer, the former picture librarian, as picture library manager.

Mr Roffey is a member of Sogat's managerial section which is recognised by The Times but does not negotiate as all members have individual contracts. Mr Sayer is a member of the clerical section which does negotiate.

The union claims that management in effect is undermining the closed shop as the union managerial section identifies primarily with management. It also believes the "calls procedure"—by which any vacant Fleet Street jobs are communicated to the relevant chapels before being filled—is being attacked.

Management sees it as a "right to manage" issue. It is not prepared to concede to the clerical chapel the right to decide managerial appointments. Management also alleges that at root the paper is victim of a power struggle between Sogat's clerical and management sections

● The BBC said yesterday that Sogat members have refused to distribute London-bound copies of the Radio Times in defiance of a High Court injunction on Thursday.

The injunction ordered the union to lift its blacking of distribution of the January 28 edition, stored at a depot at King's Cross, north London.

# Print union faces threat of legal action

BY DAVID GOODHART, LABOUR STAFF

THE managing director of WB Commercial Graphics in Derby said last night he would take legal action against the National Graphical Association if the union withdraws from a single-keystroking agreement.

Mr Ian Burns claims the union has endorsed the agreement for more than a year. It allows for direct input of material from publishing houses to typesetting systems, bypassing NGA members.

The union has told Mr Burns he must stop using single-keystroking for work on magazines, in spite of the prospect of job NGA losses. Mr Chris Harding, an NGA national officer, would not say *last night when a formal letter* ending the agreement would be sent.

Mr Burns said: "After consultations with our lawyers we decided that once we have *received official notification* from the NGA we will consider legal proceedings."

If they enforced the withdrawal, he would close his typesetting company, making *at least five* NGA members redundant.

The NGA has agreed to a number of single-keystroking agrements in the commercial and legal sectors. It is in talks *with provincial newspaper* employers about a pilot project on six papers to test the effects on employment.

Mr Burns believes that after the reverse for the union in the Messenger Newspaper Group dispute it wants to tighten the line, especially in the magazines.

Mr Harding said on BBC TV's Newsnight programme last night that single-keying "is an unacceptable development in the magazine sector." He was not aware that the company was typesetting magazines such as Gold World and Packaging News. Mr Burns claims he was fully aware.

Mr Harding denied the union was being Luddite. Single-keying agreements had been permitted to attract work which might otherwise go abroad. He pointed to the success of City printers such as Williams Lea in bringing in new work. Mr Burns had broken the spirit of the agreement by applying it to existing work, he said.

The union may relax a little over single-keystroking if it can clinch an agreement with Portsmouth and Sunderland Newspapers to move three NGA jobs into the editorial department.

## NGA purges contempt but fines stay

**THE National Graphical Association yesterday purged its contempt of court arising from the dispute with Mr Eddie Shah's Messenger Newspaper group, writes David Goodhart.**

**Mr Justice Eastham dissolved the writ of sequestrian under which the union's assets were frozen but decided not to reduce £525,000 fines imposed in December for unlawful mass picketing.**

**An affidavit from Mr Joe Wade, NGA general secretary, said the union—established in 1848—and never been in dispute with the courts except for the three months last year.**

**Mr Justice Eastham remained critical of the union's behaviour. "It is perfectly true that there has been no further trouble since December 9. However, after the last hearing the NGA approached other unions in an attempt to persuade them to flout the rules."**

***He said:* "On the very day it was announced they intended to purge their contempt it was also announced that they would continue to persuade the TUC to back further illegality."**

**Fines of £150,000 have been paid out of the total of £675,000. The union agreed to lay aside £625,000 to cover the outstanding fines and costs. Sequestrators' costs were estimated at £75,000.**

**The judge said that in spite of the union's lack of co-operation the commissioners were in control of assets worth £13.5m. Of these, £3m was in property and the rest in Government securities, quoted shares and bank accounts.**

Joe Wade: affidavit

# Workers occupy Henry Robb shipyard

By Mark Meredith, Scottish Correspondent

WORKERS OCCUPIED the Henry Robb shipyard in Leith, Scotland, yesterday to prevent its closure by British Shipbuilders.

They said they would prevent the release of a Royal Navy unmanned mini-submarine undergoing refurbishment.

British Shipbuilders said this week that Henry Robb would close at the end of March with the loss of all 390 jobs.

The yard completed its last order *in November* and all but 30 to 40 men have been laid off. Earlier this year the workforce numbered about 900.

Mr Bill Semple, Henry Robb's managing director, said about *half of the 180 manual workers* have asked for voluntary redundancy. It was clear management expected most jobs to be shed this way.

The workers voted recently *not to join a threatened nation*-wide strike by shipbuilders over wages and working practices. They hoped this attitude would win them key orders for mooring and salvage vessels.

These have just been awarded to the Hall Russell yard, Aberdeen.

Mr David King, one of the union officials, said last night that one reason for the occupation was that orders were still possible in the form of *a ferry* for Caledonian Macbrayne and two tractor tugs expected to be ordered by the navy.

Mr King said a good majority at the lunchtime mass meeting *voted for the occupation* but he declined to give figures.

## London port suspends tally clerks

THE PORT of London Authority yesterday *suspended 120* ships' tally clerks without pay at the West Africa Terminal, one of Tilbury's biggest operations, our Labour Staff reports.

It said it took the action *because the clerks were refusing* to do Sunday overtime. The clerks are protesting about what they claim is the unilateral imposition of new manning levels, which raise productivity and create labour surpluses.

Talks with the Transport and General Workers Union, the clerks' union, were continuing last night. The dispute is unlikely to spread, but lengthy disruption to cargo-handling would undermine the port's attempt to restore its reputation after 11 weeks of dockers' and clerks' strikes last year.

At Bristol port, there are fears for trade because of a series of unofficial strikes by dockers which began on January 9 in protest against a 4 per cent pay offer.

Nissan, Vauxhall, Fiat and the Falklands Airport Consortium are among customers which have expressed concern.

## Tax staff seek computer ruling

NO CHANGE in the nature and character of tax officers' jobs *took place when they were* asked to operate a computerised Pay-As-You-Earn systems, the High Court was told yesterday, our Labour Staff writes.

Mr Peter Millett, QC, for the *Inland Revenue, said the Inland* Revenue Staff Federation had made no protest about changes in responsibility during lengthy negotiations on the system, not during installation, programming and training.

Eight members of the federation are asking the court to rule that they cannot be made to operate the PAYE computers. They are among 438 West Midlands staff sent home by the Revenue for refusing to do so. They claim that computerisation has so changed their work that their jobs are no longer what they were engaged to perform. jobst.is rthefgETAO ......

Mr Millett said the real dispute was not about changes in the nature of the job but about the absence of a guarantee of no compulsory redundancy caused by the computer system. *The case continues on Monday.*

# New chairman at Milford Docks

MILFORD DOCKS has appointed **Lord Parry of Neyland** chairman. The present *chairman, Mr P. M. N. Jennings,* had indicated to the board that at the next board meeting on January 31 he wishes to resign as a director in order to concentrate on his City interests. **Lt Col T. G. Wilkinson** will also retire on January 31. **Mr Michael Davies** has been elected to the board.

★

**Mr Michael Walton**, a director of Electra Investment Trust has succeeded **Mr Gordon Dean** as managing director of ELECTRA RISK CAPITAL. Mr Walton has been a director of Electra Risk Capital since its incorporation in 1981. Mr Dean will remain *on the board of Electra Risk* Capital until March 31.

★

**Mr L. C. Quek** has been appointed executive chairman of MANSON FINANCE TRUST in place of **Mr John Mowat** who has retired. Mr Quek will also take Mr Mowat's place as chairman of its subsidiaries. Mr Quek is executive chairman of Dao Heng Bank and managing director of Hong Leong Company (Malaysia) Berhad, the ultimate parent of both Manson Finance Trust and Dao Heng Bank. **Mr Peter Methley** has joined the board as a non-executive director. He is chairman of Leslie Godwin.

★

**Mr Robert G. Purshouse** has been appointed to the board of MANDERS (HOLDINGS). He has been secretary since 1976 and is now responible for all personnel and legal matters in *the group*.

★

CLYDE CABLEVISION has appointed **Mr David R. Campbell** its chief executive. Mr Campbell joins from Scottish and Universal Investments where he was executive director responsible for the group's printing and publishing interests.

★

HERON CORPORATION has appointed **Mr Richard A. Berman** *as group treasurer*. He was previously group treasurer of the Milan-based Merzario Group.

★

**Mr George Gilchrist** has retired as manufacturing director of LEATHER'S CHEMICAL COMPANY. **Mr A. H. Keeling** has been appointed his successor as manufacturing director. He has been employed by Leather's in various capacities since 1970 and a director since July 1 1983. **Mr Nigel Wood** has been appointed sales director and **Mr Harold Mathers** has been appointed personnel and administration director.

★

**Mr A. Ross Belch** has joined the board of KONGSBERG, the UK subsidiary of A/S Kongsberg Vaapenfabrik of Norway. Mr Belch is chairman of Jebsens Offshore Drilling and Associated British Engineering.

★

**Mr E. Owen**, a director of Brush Transformers, has been appointed a director of HAWKER SIDDELEY TRANSFORMERS and general manager of the South Wales transformer division of Brush Transformers. He succeeds **Mr W. G. Thomas** who has taken the appointment outside the group.

★

WESTBRO has appointed **Dr Tim Stuart** its managing director. He was previously involved in the design and development of electronic drives and drive systems with SSD.

★

Following a restructuring of DUNLOP'S international sports company into specialist product businesses, **Mr B. J. Jenkins** will become director, racket sports, from February 1. He was managing director of Gold Crown Foods, part of the Argyll Group.

★

HOECHST UK, a subsidiary of Kalle Infotec, has made two appointments to its board. **Mr Peter Troward** has become *managing director and* **Mr John Southworth** has been appointed commercial director. Mr Troward, was general manager and Mr Southworth, was financial controller of Kalle Infotec.

★

SHELL INTERNATIONAL PETROLEUM CO has appointed **Mr R. P. Reid**, supply marketing co-ordinator, a director from February 1.

★

AMERICAN EXPRESS has made the following appointments within its travel division. **Mr Roy Stephenson**, formerly sales and marketing director, has been appointed head of the new travel management services unit. **Ms Mavis Brown** has been appointed director, business travel operations UK. She was director, business travel.

★

F. CHAMBERS AND CO has elected the following directors: **Mr David Harrison**, marketing and sales director; **Mr Brian Potts**, operations director; and **Mr Alan Whincup**, research and development director.

★

**Mr David Spence**, a partner in the London office of THORNTON BAKER, has been appointed executive partner responsible for all client services.

★

Following the management buy-out, TIGER RAIL has made **Mr Brian Hepworth**, formerly group operations manager, an executive director. He retains full responsibility for railway wagon operations.

★

**Mr Derek Hill**, previously finance director of Forshaws Burtonwood Brewery who joined ROBERT H. LOWE in September 1983, becomes an executive director. **Mr Ernest Cummins**, former deputy chairman of Carrington Viyella, is appointed a non-executive director.

★

**Mr Donald Town**, group marine manager and underwriter of the Phoenix Assurance Group, has been elected chairman of THE INSTITUTE OF LONDON UNDERWRITERS, and **Mr David Bowen**, a director, a general manager and marine underwriter of the Orion Insurance Company, deputy chairman.

★

**Mr Patrick Bowden**, an assistant general manager in Barclays Bank International, *has been appointed an assistant* general manager controlling marketing operations in BARCLAYCARD. He will continue to be responsible for Barclays Visa travelers cheques division and for international *money orders, and will integrate* these operations within Barclaycard. Mr Bowden is adviser on travellers cheques to the Visa International board.

★

DAVENPORTS BREWERY has appointed **Mr Martin Cardale** to its main board. He joined Davenports 12 months ago as sales director, with specific responsibility for marketing and sales to the free trade and Davenport's own pubs and shops.

★

**Mr C. H. Downton** has been appointed to the board of THE MINING INVESTMENT CORP, parent company of Burnett and Hallamshire's *mining* division. He has been company secretary of Mincorp since September 1980 and will retain that position.

★

**Mr Michael Windsor** has been appointed to the board of McKECHNIE BROTHERS as a non-executive director from February 1. He is a director of Vickers and group chief executive, engineering products group.

## Senior post at Steel Brothers

**Mr Peter J. Paice** has been appointed an executive director of STEEL BROTHERS HOLDINGS from April 3. Mr Paice joins the company after nine years with Jardine, Matheson and Co where he was chief executive of a major subsidiary involved in trading and engineering.

★

METROPOLITAN SERVICES has appointed two directors—**Mr S. J. Brogan** and **Mr K. J. Jenkins**. Both will be based at the company's Brentford, Middlesex headquarters. Both men joined the company in 1976.

★

BICC-VERO ELECTRONICS has promoted **Mr John F. Grillo** to managing director following the retirement of **Mr Alan Thomson**. Mr Grillo will have responsibility for BICC-Vero Packaging, BICC-Vero Connectors, Verospeed and BICC-Vero International companies in the U.S., Germany, France and Austria.

★

**Mr M. J. Chapman**, a corporate finance director, corporate finance division, MIDLAND BANK, has been appointed assistant general manager, corporate finance division, from February 1.

★

EXCO INTERNATIONAL is appointing **Mr Richard Davey** an executive director and a member of the executive committee of the board on March 1. Mr Davey has been a non-executive director of Exco since April 1983. Presently an executive director of N. M. Rothschild and Sons, he will remain on the board of Rothschild as a non-executive director. Mr Davey, who will move to New York, will become president of Exco's U.S. holding company, Exco International Inc, and assume responsibilities for Exco's U.S. operations.

★

**Mr A. C. Winspear** has been appointed a director of JOHNSON GROUP CLEANERS. He is a director of S. G. Warburg and Co.

# Economic Diary

**TODAY:** British Toy and Hobby Fair (until February 1). Stationery Industry Exhibition—STATINDEX opens at Earls Court (until February 1).

**TOMORROW:** President Reagan expected to announce his decision on whether to stand for re-election. General elections in Ecuador.

**MONDAY:** Bricks and cement production (fourth quarter). Special meeting of the TUC Finance and General Purposes Committee to discuss the implications of the Cheltenham union ban. Council of Europe Assembly in Strasbourg (until February 3). Lonrho to make statement on the disposal of its shareholding in House of Fraser. Delegation from CBI Wales to lobby Transport Secretary Nicholas Ridley on Severn Bridge. Photography at Work Exhibition opens at the Exhibition Centre, Harrogate (until February 2).

**TUESDAY:** EEC Fisheries Council hold meeting in Brussels. Tax Advisory Council makes its budget representations. Current 90-day Venezuelan payments moratorium ends.

**WEDNESDAY:** CBI publish industrial trends survey for January. Overseas travel and tourism (November). Advance energy statistics (December). U.S. budget. NEDC statement. Commons debates Government policy on the shipbuilding industry. Statement by the Association of Metropolitan Authorities on "Streamlining the cities." The Institute for Fiscal Studies hold conference on "Budget options for 1984"; the IFS "Green Budget" at Regent Palace Hotel. Soviet Foreign Minister Andrei Gromyko visits Bucharest (until February 3).

**THURSDAY:** UK official reserves (January). Capital issues and redemptions (during the month of January). Unemployed and unfilled vacancies (January—provisional). Mrs Margaret Thatcher leaves for Hungary (returning February 4). Bank pay talks resume. Informal meeting of the EEC Social Affairs Ministers in Paris.

**FRIDAY:** Car and commercial vehicle production (December—final). Mr Neil Kinnock, Leader of the Opposition, to address Labour Party local government conference in Nottingham. Gas pay talks. TUC hold special conference on its campaign to shorten hours.

# All Share Index passes 500 milestone

The daily movements of the FT 30 Share Index may have been jerky this week but on Wednesday as the market notched up its best day for over a year, the FT Actuaries All Share Index glided past an important milestone — the 500 level. Despite the understandable nervousness that trading in high ground is bound to create, the market still looks firmly placed and unlikely to take a tumble from its current standpoint.

Arguably the market's rise since the autumn has done little more than keep in step with generally improved expectations for corporate profits. A few months back stockbrokers Phillips & Drew were looking for commercial and industrial profits to rise by 20 per cent in 1983 and 15 per cent in 1984. Those expectations have now been lifted to 24 and 20 per cent, adding around a tenth to the two-year picture.

On that basis the market is currently standing on an earnings multiple of around 14¼ on 1983 profits, dropping to 12½ on 1984's expectations. The average over the past couple of years has been around 13¾.

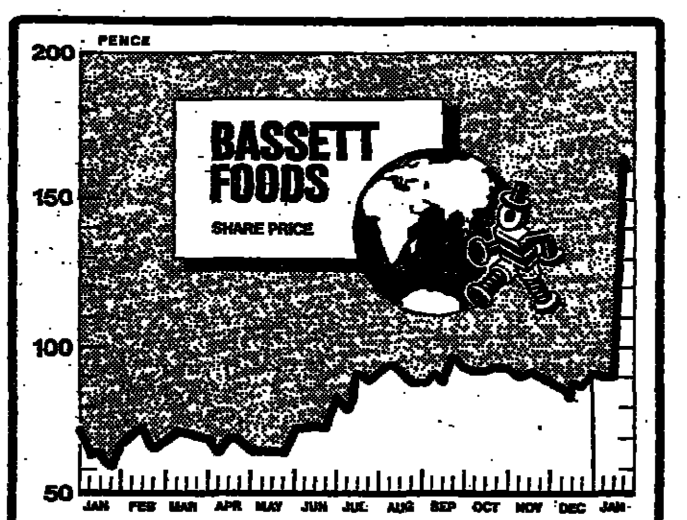
On those numbers prices appear to be well underpinned by performance though the alternative litmus test of dividend yields, 4.3 per cent on the Actuaries All-Share, is asking a lot and will not encourage those of nervous disposition.

Among the various divisions the oil sector seems to be living in a world of its own. In the past couple of weeks it has risen by some 11½ per cent against 2½ per cent for the All-Share. The reasons for that enthusiasm are diverse, not least the froth of bid speculation, yet it would not take much bad news to knock some of those prices off their pedestals.

**LONDON**

ONLOOKER

If oils look overheated solid traditional industrial areas such as textiles and engineering still look underplayed, despite a general rerating. At this point in the cycle profits forecasts generally tend to get a little sanguine but not so with groups like textiles and engineering where twice bitten analysts are still pitching on the cautious side and prospective earnings multiples are probably a bit lower than they look.




## Stalking Bertie

Avana is not one to miss an opportunity and so this week it crept up on Bassett, of liquorice allsorts fame, and slapped a £17m equity offer on the table. For Bassett's management Avana's approach came like a bolt out of the blue and in the stock market the sweet maker's share price shot ahead of the bid price valuing the company at £19.3m.

The offer will no doubt be vigorously defended but Avana has picked its target with care. The attacker has earned its reputation out of making money from declining or stagnant segments of the food industry. Its acquisition of jam maker Robertson in 1981 is a classic example.

Bassett is not quite in the Robertson mould but there are similarities. Faced with a declining confectionery market in the seventies the then directors took the group on to a disastrous course of diversification resulting in overall losses of £1½m in 1980.

Yet unlike Robertson the new management of Bassett has already got it on the road to recovery. Gone are the bizarre diversifications, in have come more modern plant for confectionery lines and a more aggressive stance towards its core business. There is still a long way to go and eventually acquisitions will be needed to keep up the momentum, though it looks as though the lessons of past failures have been well and truly learned.

Bassett should not fall to Avana at a knockdown price though fall it may if Avana comes forward with better terms.

## Brick defences

London Brick is building a defence that Hanson will find difficult to breach with its current offer of £212m. The defence document out this Thursday stunned observers with a profits forecast of £36m for 1984, several million ahead of what had been anticipated. London Brick has already estimated profits of £26m for 1983 and achieved £15.3m in 1982.

And London Brick has a good shot at ousting any suggestion that 1984 will be a peak year. The directors say that profits are no longer so closely shackled to the UK house building cycle.

Not surprisingly Hanson Trust was quick off the mark to question the quality of the forecast and how exactly the figure is made up. Even so Hanson has not returned London Brick's volley with much success and the pressure is on the bidder to come up with better terms.

For Hanson that would be unique. For years it enjoyed a reputation of setting a price and sticking to it. That was lost some time back but never has Hanson had to raise an offer twice in a fight. Yet London Brick's price is out of Hanson's reach and if the bidder wants to win control it looks as if the stakes will have to be raised.

## Reviving Rank

The worst seems to be over at Rank Organisation. This week the new management sent out the full-year figures to October last showing pre-tax profits £7.3m higher at £89.3m, despite £5m less profit from its Rank Xerox associate and increased losses in Australia.

Yet the new team, headed by Mr Michael Gifford, has had little time really to get to grips with the more deep rooted problems of Rank. The more obvious areas of action have been tackled, hence another below the line write-off of £25.4m making over £48m in the last two years.

There are more disposals to come but the major part of Rank's restructuring is over. The closures and sales of last year will throw up some further cash inflows during the current 12 months so the decline in borrowing, evident last year in a £9m fall in the interest charge, should continue.

On the trading front the year has evidently started off on an encouraging note and profits could get close to £100m pre-tax. That might be good enough to sustain the share price which until now at least has reflected an element of bid speculation.

## Sights on Stylo

The directors of Stylo are right to reject Harris Queensway's opening bid of £35m if they believe they can mount a sufficiently good defence to squeeze a higher price out of Philip Harris or attract the attention of a rival bidder to make it a three cornered fight. If, however, the directors are adamant in clinging to independence shareholders could be the losers.

The peculiarity of Stylo is that its voting structure means that the directors can almost certainly thwart any bid if they stand united. The Ziff family enjoys voting control thanks to closely held Management shares worth 16 votes apiece.

Bid rumours have swirled around Stylo before but Harris Queensway is the first in many a long year to fly in the face of Ziff family opposition and launch an offer to shareholders. Already it claims to have the backing of over 30 per cent of the ordinary shares in addition to its 5.1 per cent stake in Stylo.

The shoe retailer's major line of defence will be that Harris's 325p a share offer undervalues the asset base. In the last accounts, Janury 1983, the current cost asset base was just under £4 a share and no doubt Stylo will be able to improve on that with a revaluation.

If a revaluation attracts a high offer that is accepted by the Ziff family all to the good. Stylo may have a good asset base but its ability to make profits is weak. At £35m the offer is equivalent to an exit p/e of around 100 averaging out the past decade's earnings. Take 1982-83's profits and the p/e is still 55 on actual earnings. Without a bid the price cannot sustain a rating of anything like that.

## Discount Houses

Up till now the select band of discount houses has ridden peacefully above the turbulent waves of change within the City's financial community. The crucial role the houses play between the Bank of England and the money markets and the violent nature of their own profits were thought to leave them in a compartment of their own and yet Gerrard and National, leader in the sector, disclosed this week that it is engaged in merger talks.

In the past the Bank has always preferred that the discount houses remain independent, but if it is now willing to concede that parenthood can be permitted to shift to larger institutions there is going to be much intrigue about who Bank would judge to be s able. The authorities are likely to smile upon fore ownership nor are they lik to welcome the muscle of clearing banks or ties with m chant banks. That seems leave the likes of Mercan House and Exco. Certainly former has admitted talks w Gerrard and National but it talked to a variety of ot financial institutions such Wedd Durlacher as well.

While the guessing game g on several in the sector parading more of their wa in the shop window, aware t if they can no longer remain dependent then they must ge fair price for their assets. Un Discount, second in the lea table to Gerrard, this w brought out £9m of previou hidden inner reserves into pu lic view while the smal Alexanders has published surprising increase in visi general reserves from £7m £11m.

Terry Garrett

## MARKET HIGHLIGHTS OF THE WEEK

| | Price y'day | Change on week | 1983/84 High | 1983/84 Low | |
|---|---|---|---|---|---|
| F.T. Ind. Ord. Index | 839.5 | +12.6 | 840.5 | 598.4 | Revived UK and U.S. support |
| Applied Computer | 585 | +75 | 605 | 205 | Analysts' meeting |
| Assoc. British Ports | 258 | +20 | 260 | 129 | Freeport site hopes |
| Assoc. Leisure | 147 | +31 | 151 | 85 | Agreed offer from Pleasurama |
| Bassett Foods | 160 | +70 | 167 | 61 | Bid from Avana |
| Canada North West Oil | 55 | +36 | 60 | 5 | Australian oil find rumours |
| Gerrard and National | 337 | +47 | 340 | 161 | Bid approach |
| Glass Glover | 283 | +33 | 283 | 177 | Good results and scrip issue |
| Helical Bar | 43* | −34 | 94 | 27 | Company funds misappropriate |
| Highgate Optical | 50* | −32 | 152 | 22 | Controlling group uncertainties |
| House of Fraser | 278 | +28 | 280 | 150 | Lonrho stake speculation |
| Ingram (Harold) | 408 | +98 | 435 | 18 | Speculative demand |
| Intervision Video | 36 | +11 | 60 | 19 | CBS/Fox video joint-venture |
| Metal Box | 352 | +22 | 352 | 154 | Persistent demand |
| Nova (Jersey) Knit | 47 | −15 | 95 | 30 | Nervous selling/Int. due Monda |
| Portinax Devs. | 200 | −312 | 575 | 150 | Adverse Press article |
| Shell Transport | 660 | +50 | 662 | 403 | Offer for Shell Oil |
| Std. Tele. and Cables | 272 | −20 | 326 | 183 | Broker's adverse circular |
| Strong and Fisher | 225 | +40 | 275 | 27 | Revived speculative interest |

* Price at suspension

# Edgy atmosphere

**NEW YORK**

TERRY DODSWORTH

OVER the last few days, the U.S. capital markets have been pounded with good news. Consider the following sample of corporate results:

IBM, Digital Equipment, Burroughs, NCR and Honeywell, the country's leading computer manufacturers, have all registered a strong surge in quarterly earnings, broadly within the 20 to 30 per cent range; American Airlines, the country's second largest domestic carrier has led profits of a clutch of the more efficient operators back up into the high blue yonder; International Paper, the U.S.'s largest paper maker, reported an 80 per cent increase in earnings; RCA, the leading electronics and entertainment conglomerate, came in with a 45 per cent rise; and profits at Motorola, the semiconductor company, have jumped by 75 per cent.

The list could go on and on, and while there have been a few disappointments in the quarterly figures, even some of the badly lamed ducks of the recession are beginning to limp back to some sort of financial health. On Wall Street, however, these messages of optimism from the real economy have been treated with disdain. The market has promptly turned round and shot the messenger.

Thus while President Reagan was polishing his electioneering lines about the strength of the recovery this week, the Dow Jones Industrial Average was dithering and slipping from its near record post-Christmas high. The market is effectively asking the President what his next act will be. The economy is now stuck in a kind of Act Three, Scene Three, caught between the beginning and the end of a plot in which we now have a plausible hero (the recovery) and a sinister villain (the deficit), but no guarantee that the good guy is going to be allowed to come out on top.

Indeed, there is now an uneasy feeling around the markets that the villain has some of the best lines in the drama. Mr Reagan himself has made it clear he intends to do very little in this election year to eliminate the deficits that have kept the economy swinging along.

A great deal can happen, of course, in an election year, when the opinion polls start running and sending the markets scurrying in different directions. But the existence of the deficit is now establishing an underlying negative factor over the medium term. It means continued pressure on interest rates from the combination of corporate and Treasury demand; and it means that the equity market, to quote Mr Leon Cooperman of Goldman Sachs, has "once again become the prisoner of the debt markets."

It is this mixture of problems which lies behind the behaviour of the stock market during a period when the return on equity has shown one of the most dramatic reversals since the last war. Investors who had already discounted most of this advance, now want to know whether earnings and dividends can produce the yield to keep up with bonds in the months ahead — and many are beginning to worry that corporate America will not be able to maintain the cracking pace that they had been expecting this year. Profits seem less likely to receive a boost from falling interest rates than was thought likely a few months ago. At the same time, productivity growth is slowing, while there still appear to be strong enough deflationary pressures in the economy to keep the lid on prices, and therefore on corporate profits.

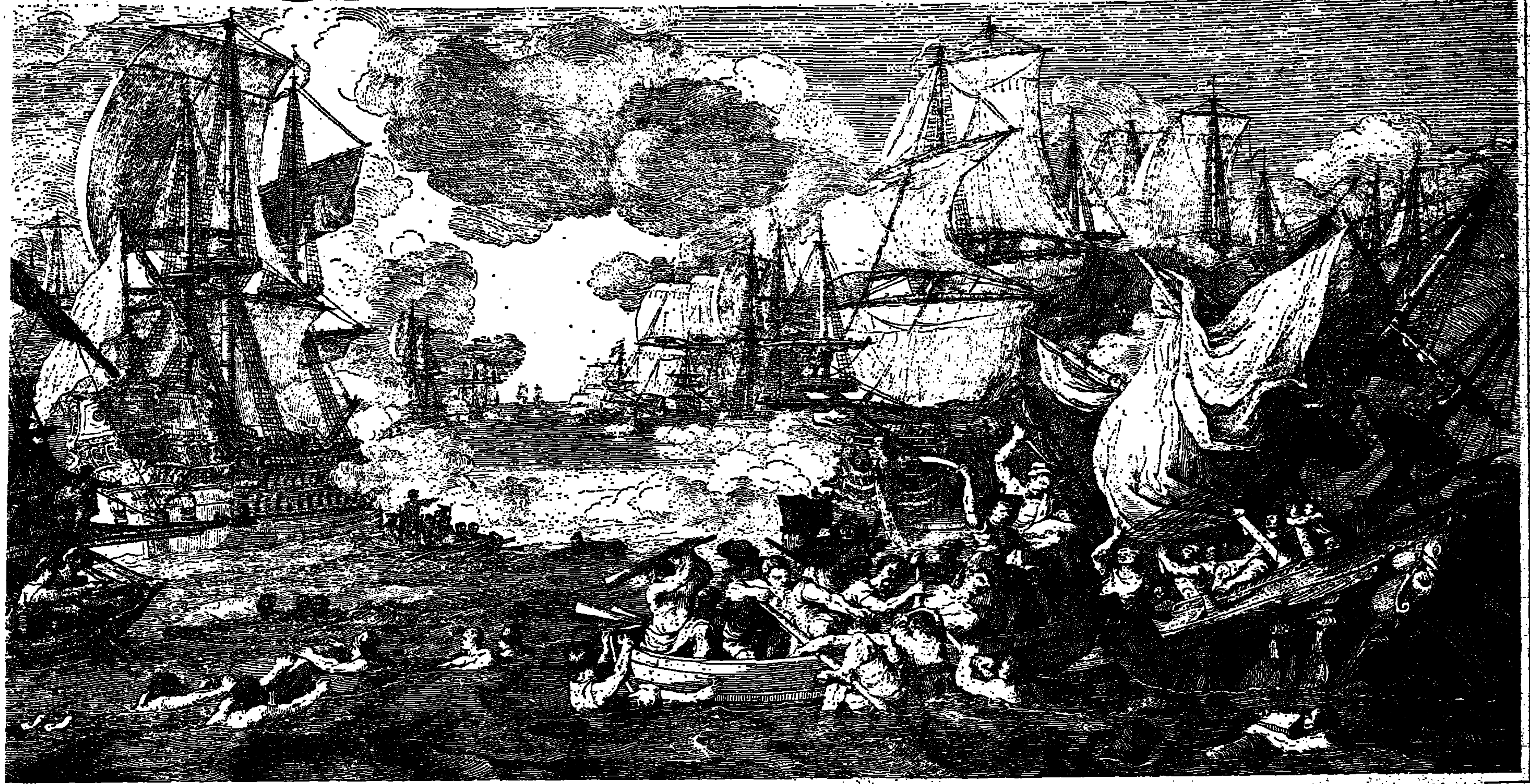
In this edgy trading atmosphere, where the high volume of trading indicates that there is still plenty of footloose cash waiting for a positive sign or two, the oil sector has once again provided some welcome excitement this week.

Shell Petroleum NV's bid for the outstanding 30 per cent of Shell Oil, its U.S. satellite, is said to have been a widely-discussed possibility over the last couple of years. But it would have been difficult to catch Wall Street more off its guard. Since Mr Boone Pickens started to stir up some mischievous interest in oil industry assets over at Gulf, analysts have been crawling over virtually every oil company on the lists — except Shell Oil.

Whether Shell will be able to deliver quite the thrills, or the financial killings, that have come out of the Gulf situation and the Texaco take-over of Getty, still remains to be seen. But the speculators who have pushed the price just over the $55 a share bid might be just as well employed working on some short selling tactics for what is becoming an election market. Wall Street was hit with a typical bout of election jitters this week when a rumour on Wednesday that President Reagan had decided not to run for re-election knocked a mild rally on its head, propelling the DJIA down by about 14 points in an hour. There could be some fun days ahead.

| | | |
|---|---|---|
| MONDAY | 1,244.45 | −14.65 |
| TUESDAY | 1,242.88 | − 1.57 |
| WEDNESDAY | 1,231.89 | −10.99 |
| THURSDAY | 1,229.69 | − 2.20 |

# THE GREAT PENSIONS BATTLE.



## BEFORE WE ALL GET CARRIED AWAY, A BALANCED VIEW FROM ONE OF THE FEW COMPANIES THAT CAN SEE BOTH SIDES.

The Secretary of State's Inquiry into Provision for Retirement is under way.

Submissions from interested parties have been called for by the end of the month.

And they're coming in. Oh yes, they're certainly coming in.

Time, we think, for a balanced view from a company that is actively involved with both sides, sees good on both sides – and sees nothing but harm if the level of debate descends to a battle.

### THE 'PORTABLE PENSION' SIDE

Work patterns have been changing in Britain for some years.

Many of our brightest and best move jobs at frequent intervals, and the effect of technological change on industry means that many more have to be re-trained – perhaps more than once – during their working lives to remain in gainful employment.

A very good argument says that these people are the nation's source of constructive change and growth in the economy – and that they should certainly not be penalised by pension fund arrangements more suited to the 1930s.

At Crown Life, we have been pioneers in the design of pension products that meet today's needs.

Our highly innovative Personal Pension Plan has been providing people with portable pensions for many years.

Our Pension and Family Protection Plan was introduced some years ago to provide a large workforce of people, all in non-pensionable employment, with what are in effect individual portable pensions.

And our Crown Bond was recognised by the National Press for offering the Early Leaver a one-man, unit-linked pension fund – provided of course the Trustees of his or her former employers' pension fund agreed to part with the value of the pension.

So we have many years of hard practical experience in the Portable Pensions market.

### THE 'GROUP PENSIONS' SIDE

The Group Pensions side of the argument is, frankly, rather better than some of its foremost proponents have made it sound.

For in the Britain of today, calling people who change jobs just three times during a working life 'fly-by-nights,' simply suggests that the speaker (a council member of the National Association of Pension Funds) may be seriously out-of-date.

Far better, surely, to point out the sterling job that the Group Pensions system has done in providing decent pensions to millions of hard-working people in an age of unpredictable inflation.

Far better to point out what most professional advisers recognise to be no more than the truth: that, like it or not, it is the compulsory element of a Group Pension scheme which ensures that many people end up with adequate provision for their old age.

At Crown Life, we play a very full part on the Group Pensions side, too.

Our Pensions 2000 group schemes were launched in 1976, offering both final salary and money purchase options. Further updated in 1982, they are now the most flexible range of contracts on the market. Which is why in 1983 we believe that we wrote more small Group Pension schemes than any other company.

### OUR RECOMMENDATIONS

We have, this week, submitted our recommendations to the Inquiry.

We are very happy to admit that we are recommending a compromise.

We recommend a statutory right to transferability, with the amount of money transferred fixed according to a legally defined formula.

We recommend that the Early Leaver should have a statutory right to invest his transfer money in his own one-man pension fund.

We recommend a change in the law to allow for transferring pension values between self-employed and executive pension schemes.

However, we come down strongly against any hasty change of legislation which precludes employers from making membership of a Group Pension Scheme a condition of employment.

The reason, simply stated, is that whether we like it or not, we have a deeply established system of institutional pensions which many people will rely on for many years to come.

In our opinion, you cannot dismantle a structure like the British Group Pensions system overnight without inflicting untold suffering on many people who deserve – and have been promised – better.

### MEANWHILE, WHAT CAN YOU DO?

Whatever your position – self-employed, in a large company, in a small company – if you are setting up a pension scheme you should talk to your professional adviser about our products.

With such a wide range, we can recommend the product that exactly fits your needs and still gives you maximum flexibility.

If you are an employee considering a change of employment, you can send for a free copy of our booklet 'You can take it with you.' You'll find it's full of practical advice on how to get the best pensions deal from both your old and new employers.

If you are a professional adviser yourself, and have not done business with us before, this surely is the time to get in touch.

And whoever you are if you would like a copy of our submission to the Inquiry, just tick the box in the coupon below.

To: Tony Kempster, Provision for Retirement Section, Crown Life, Crown Life House, Woking, Surrey GU21 1XW.
Please send me a copy of: Your submission to the Inquiry into Provision for Retirement. ☐ 'You can take it with you.' ☐
Name
Address
Postcode
FT/28/1

CROWN LIFE
Crown Life Assurance Group
A MEMBER OF THE BRITISH INSURANCE ASSOCIATION.

هكذا صدر الأصل

هكذا من الأصل

# A lot of it about

BY KENNETH MARSTON

FINITE — that was a popular word not so long ago. It kept on cropping up whenever natural resources were being discussed and was followed by dire warnings that the world was running out of oil and metals, although it was never very clear what you and I were supposed to do about it. Nor was it very clear as to when all the oil wells would dry up and no more metal would be produced.

These days the subject has been quietly dropped. More attention is being paid to the question of whether oil prices can be maintained at present levels and when, or if, metal prices will rise from the bargain basement.

There is just too much oil and metal around, we are told, and it is all because the producers geared themselves up for a big increase in demand which hasn't happened. Finite natural resources? Well, maybe, but not that you would notice.

Meanwhile, the mining industry, at least, is following the sensible line that if you cannot make demand and prices go up, then the alternative is to make your costs go down. In the days of galloping inflation such an approach would be laughed out of court. Not now.

It is already working. In the South African gold mining industry, for instance, total production costs of the mines in the Consolidated Gold Fields group decreased last quarter for the first time in 10 years. And this week the big Rustenburg Platinum Holdings has announced a fall in its costs during the half-year to December 31.

This is one factor behind the advance of 50 per cent in net profits to R39.2m (£22.2m). Others were an increase in both platinum production and sales; a gesture of confidence in the market was the decision to raise output rather than to meet the demand by further sales from the platinum stockpile.

But higher metal prices did not come into the picture. In fact, it could be said that Rustenburg is benefitting from lower metal prices because it is selling platinum on the basis of the free market levels which have been, and still are, considerably lower than the so-called producer price.

The latter, currently $475 per ounce compared with $382 on the free market, is still being followed by the rival **Impala Platinum Holdings**, although it is generally reckoned that good discounts are offered to many customers.

What remains to be seen is how much of Rustenburg's rise in fortunes results from its competitive price policy and how much reflects a general improvement in the market for the metal. We may be able to see the picture more clearly when Impala produces its half-year results next month.

Of course, if you cannot reduce costs in an existing mine, one alternative is to find another one where costs will be lower. Naturally, this is much easier said than done but it does partly explain why there is a world-wide gold prospecting boom at a time when the bullion price appears to be irretrievably bogged down at under $400 an ounce.

What many of the prospectors are looking for—and finding—are shallow deposits of ore which can be cheaply mined by open-pit methods and where new and more efficient techniques can be applied for extracting the gold from the ore. Such deposits can earn a good living even where the gold content is as low as 0.078 ounces, or 2.43 grammes, per ton of ore.

This is the case at the Gold Quarry deposit of America's **Newmont Mining** in Nevada. Confident that the deposit can earn a profit even at a gold price of something less than $300 per ounce, Newmont is to take the project to production at a cost of some $130m (£92.7m). After all, even if the deposit is very low grade it still holds some 8m ounces of gold.

Newmont, in which London's **Consolidated Gold Fields** has a stake of 25 per cent at present, has had a poor 1983 fourth quarter because of low prices for its copper and gold. The total earnings for the year, however, come out at $52.4m, or $1.73 per share, compared with $48.6m

Given a modest improvement in metal prices, this diversified major natural resource group could do much better this year. A good deal depends on the copper market which at present is very much over-supplied, particularly as a result of high production by some state-controlled operations which put the need for foreign exchange income ahead of other economic considerations.

As for gold, the present popular theory is that it will not rise while money finds a more attractive haven in the strong U.S. dollar and high transatlantic interest rates.

At the same time, the U.S. trade deficit continues to mount and this could eventually reverse the rise of the dollar. This view has been expressed by, among others, Mr Donald Regan, the U.S. Treasury Secretary.

Meanwhile, gold remains out of fashion with all except the man in the street. He still buys krugerrand coins, sales of which rose 36 per cent to an awesome 3.5m ounces of gold last year. He also tends to keep away from the market, except to sell, when prices rise, simple fellow. Perhaps there is a moral in this somewhere for the "experts" to consider.

● Australia's **MIM Holdings** has made an uncertain start to its financial year to June 30. After earning A$10m (£6.5m) in the first three months, the group has suffered a second quarter loss of A$3.8m after writing off A$5.9m on oil exploration.

But matters have been righted by a special credit of A$8.57m on "reservation of output." Trouble is that nobody quite knows what this means and MIM is keeping coy, saying only that it is a commercial matter. Shareholders may take the same view about investment in MIM.

# Rates and central heating

**In 1964 when I purchased my house I installed partial central heating but made no provision for hot water from the system, as there was no water tank.**

**Between 1964 and 1980 I had visits from local valuation officers but no alterations were made to the rateable value of my house.**

**In 1980, after major burst pipe damage, I decided to carry out various internal improvements, none of which were rateable, and I received a local authority improvement grant towards some of the work. I also put in a new central heating system with a new boiler, water tanks and hot water supply. What, please is the position?**

If it is the case that the Valuation Officer had knowledge of your installation of partial central heating before you undertook the further works in 1980 we think that even if he might otherwise have sought a revision of your rating valuation because of the pre-1974 alterations, he would now be stopped from making a proposal to alter the list

## Appeal against VAT

**I recently put up a new permanent construction along the whole of the bottom edge of my roof, some 20 feet long and about 10 inches high, on one side of the house only. The object, to stop slates falling on people in the conservatory below (as had occurred). There are 19 galvanised iron supports to hold the barrier up and it cost £350 inclusive scaffolding erected by the firm of builders.**

**Although the local VAT office have told me, in answer to my query, that a lightning conductor would not attract VAT they insist that my new barrier construction would. Can you tell me what tribunal or other machinery exists for an appeal at what I think is a wrong decision?**

It is possible to appeal against a decision of the Customs and Excise regarding VAT to the VAT Tribunal which is a body independent of the Customs and Excise. Your local VAT office will provide you with an explanatory leaflet which sets out the procedure



FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

## Executor and legatee

**I am the sole executor of my father's will and sole recipient of his estate consisting almost entirely of invested funds. From when will I be responsible for tax on interest accruing and paid between the time of his death and actual receipt of the money or investments; from the date of his death, from the date of grant probate, from the various dates when the funds actually pass into my hands or from when?**

From the date of his death. Ask your tax inspector (or your father's) for the free pamphlet IR45 "What happens when someone dies."

## Interest on a deposit

**I'm about to buy a three-acre piece of bare ground on which I intend building a bungalow. Can you please tell me if the usual 10 per cent deposit earns interest for me until the final completion date? Or, is the interest which accrues during this interim period claimed by the solicitor?**

No. The deposit paid under a contract of sale will earn interest for the deposit-holder if he holds it as stakeholder, or for the vendor if the deposit is held as agent for the vendor.

## Tax relief on interest

**Enclosed please find some documents in connection with the purchase of a house by my uncle. Could you kindly advise if it is possible to obtain tax relief on the interest paid i.e. £183.08. He also incurred costs (for materials, etc), of £500 to repair and improve the house to the Building Society's Valuers' satisfaction before he could obtain the mortgage; he did not apply for a grant on this. Would he be entitled to claim any tax relief on this?**

The answer to your first question is yes, in principle. Your uncle can check the position by asking his tax inspector for a copy of the free booklet IR11 (Tax treatment of interest paid).

The answer to your second question is no.

*No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.*

# Easing sickness Victorian style

**ERIC SHORT describes a new type of health insurance contract for the self-employed.**

**COMPARISON OF PREMIUMS AND BONUS**
Quotations for 20 units, to provide a weekly benefit of £200, deferred 13 weeks and payable to age 65

| Man aged (next birthday) | 30 years | 40 years | 50 years |
|---|---|---|---|
| PHI† | | | |
| Monthly premium | £17.30 | £25.10 | £39.90 |
| Total premiums payable to age 65 | £7,266 | £7,530 | £7,182 |
| Projected bonus at age 65 | £16,050 | £5,824 | £1,880 |
| Typical Insurance Company | | | |
| Monthly premium | £14.85 | £21.33 | £33.50 |
| Total premiums payable to age 65 | £6,237 | £6,399 | £6,030 |
| Projected bonus at age 65 | Nil | Nil | Nil |

IT IS rare nowadays to hear of a friendly society promoting a service which is designed, not to avoid tax, but to meet one of the original Victorian purposes of the societies — the payment of sickness benefits.

The Tunbridge Wells Friendly Society this week launched a revamped permanent health insurance contract, called PHI+, aimed primarily at the self-employed. Like all permanent health contracts it provides a weekly income benefit throughout the period the policyholder is sick or disabled.

But these contracts are designed to cover long-term illness, so the payments start only after a specified period from the onset of the illness. The policyholder selects this deferment period when he takes out the policy. The longer the period of deferment, the lower the premiums.

However, this new plan from Tunbridge Wells Equitable has two unusual features.

A normal permanent health contract terminates at the end of the coverperiod, usually at age 65, when if the policyholder has made no claim, he receives nothing.

The Tunbridge Wells Equitable plan operates on a with-profit basis. Companies in permanent health business can expect fluctuations in the amount paid out in claims each year. This society, with assets of £37m, is a minnow besides the giant life assurance companies. So it has built a contingency margin in its premiums, which is returned in the form of bonuses to policyholders.

This bonus will be based on the profits earned by the society. The investment returns on its sickness funds are tax exempt.

The result is that the premiums charged under PHI+ are higher than average of those from a life company. But policyholders can look forward to a substantial bonus payment when the contract terminates at age 65. The table shows the effect of the bonus system.

Secondly, policyholders have the choice of having their benefit payments index-linked in line with prices, up to a maximum of 10 per cent each year. The premiums are increased by 10 per cent for this option.

Tunbridge Wells Equitable was founded over 100 years ago. But whereas the sickness policy then was designed for lower-paid employees, it is the self-employed who will find the new PHI+ most attractive.

The self-employed have to rely on the social security system for payments in times of sickness, as there is no benevolent employer to fall back on. And £25.95 a week benefit for a single person, £41.95 for a married couple, is hardly enough to live on.

Under current tax legislation, the PHI sickness benefits are paid tax-free for the remainder of the current tax year in which benefits commence and the whole of the following tax year. But after that they are treated as unearned income.

This is favourable for the vast majority of claimants, but it hits the permanently disabled.

The Tunbridge Wells Equitable follows the example of almost all life companies in charging higher premiums for women — a feature that the Equal Opportunities Commission regards as sex discrimination.

# The resurrection of ITU


HOW INVESTMENT fashions change. Not so long ago Save and Prosper would have been anxious to hide the fact that it manages the biggest unit trust in the UK, Investment Trust Units (ITU), with £260m of assets.

In the mid to late 1970s it was one of the poorest performing vehicles of its kind. Press criticism at the time led to a deluge of phone calls and letters from disgruntled investors at S and P's headquarters.

But as Save and Prosper enters its 50th anniversary year, it has felt sufficiently confident to launch a major new advertising campaign for ITU.

"Share in the strength of Investment Trust Units," reads the bold headline which appears under a chart in the new "ads" illustrating the trust's healthy long-term performance history, offer price up almost 34 times since its formation in 1937, against an increase in retail prices of more like 20 times.

Because it invests wholly in investment trusts — publicly quoted companies which put their money into other companies both at home and overseas—ITU's recent revival is a consequence of the fortunes of this stock market sector.

Last year, for example, investment trusts yielded a total return of 37.7 per cent, compared with a rise in the offer to offer price of ITU of 39 per cent and an increase in the FT-Actuaries All Share Index of 27.3 per cent. Investment trusts have outperformed the index over two and five years with similarly beneficial results for ITU.

Besides rising stock markets throughout the world, a boost has come in the last year from the narrowing of the discount between investment trusts' underlying assets and their share price.

It was this discount—which widened from 3.5 per cent in 1972 to 35 per cent in 1978 and above 40 per cent on occasions—which dogged the investment trust sector in the mid and late 1970s and inevitably dragged down ITU at the same time. Investment trusts' borrowings exaggerated the effects of the 1974 bear market.

Save and Prosper, as one of the biggest shareholders in the sector, was one of those institutions which, possibly rather late in the day, applied pressure to investment trust managers, supported the conversion into unit trusts and takeovers of some of the laggard companies. The discount has now fallen to about 25 per cent.

But while investment trusts should continue to do better than average if markets continue to rise, they have a tendency to fall more than the average when equities fall out of favour.

**Tim Dickson**

PENSIONS

# Why we say, Not enough, Minister

**THE SECRETARY of State for Social Services, Mr Norman Fowler, has called for the views of interested bodies and individuals on portable pensions. The evidence has to be received by January 31 so that it can be considered by the Minister's special inquiry into provision for retirement. Here, two of the Financial Times's regular writers on pensions set out their personal views.**

*Dear Mr Fowler,*

WE are delighted to see that you are proving much more determined to tackle some of the inadequacies of the occupational pension scheme system than were some of your predecessors.

Like a number of other journalists we have repeatedly pointed out the unfair way in which job changers have been treated by the typical occupational scheme. This has attracted the response from traditional pensions practitioners that we are reflecting the interests of here-today, gone-tomorrow newspapermen and are ignoring the requirements of loyal workers.

More recently, waves of compulsory redundancy and a far-reaching restructuring of the British economy have demolished such arguments. And we would like to point out that with a combined service on the FT of some 35 years we are far from being rootless fly-by-nights.

Your current proposals to improve the pension rights of job changers through legislation are welcome so far as they go, but their inadequacy serves to emphasise the difficulties of perfecting the present system. The cost to industry of schemes which actually delivered in all circumstances to everybody what they purported to deliver—two-thirds of final salary after 40 years' service—would be immense.

The barrier to mobility is a consequence of the paternalism in the occupational pensions system. But in other respects it is entirely welcome that an employer should seek to secure his worker's old age even when the worker, through short sightedness, might be unwilling to make voluntary provision. There is a place for paternalism as well as freedom of choice. But the balance is not right.

The relationship between the State pension scheme, private schemes and individual saving needs to be rethought. At lower earnings levels the state earnings-related scheme already plays the most important role. Slightly higher up the earnings scale, occupational schemes provide a useful supplement.

But for the more highly-paid, the typical occupational scheme can be both over-ambitious and suffocating. Without destroying the funding basis of a scheme it would be possible to give higher paid members the right to opt for a lower benefits scale. There would then be scope for diverting contributions into tax-sheltered additional personal retirement plans.

These could be merged with the existing facility for additional voluntary contributions. At present AVCs are not portable, and indeed are only made available in a scheme at the discretion of trustees. You will have found out that there is already much agreement in this area within the pensions industry.

It will be necessary to overcome the resistance of the Inland Revenue to the introduction of further tax shelters—but there need not be much change in aggregate. Care will also be needed to cope with the reluctance of pension schemes to accept extra administrative burdens. But the advantages in terms of individual choice, greater mobility and broadening of the investment markets would be substantial.

The fabric of final salary schemes must be preserved. They provide a cost-effective answer for many, perhaps most, employees. But we believe there is a need to find ways of reconciling practical constraints with a greater freedom of choice.

*Yours sincerely*
BARRY RILEY
ERIC SHORT



# BUILDING SOCIETY RATES

| | Share a/cs % | Sub'pn shares % | Others % | |
|---|---|---|---|---|
| Abbey National | 7.25 | 8.25 | 8.25 | 7 days' notice. No interest penalty |
| | | | 8.75 | Higher Interest acc. 90 days' notice or charge |
| | | | 6.00-7.50 | Cheque Save |
| Aid to Thrift | 8.50 | — | — | |
| Alliance | 7.25 | 8.25 | 8.25 | Monthly Income—3 months' notice |
| | | | 8.50 | 28 days' notice. Imm. withdwl., 28 days' penalty |
| | | | 8.25 | 7 days' notice. No interest penalty |
| Anglia | 7.25 | 8.25 | 8.75 | 3-year Bond. No notice. 3 months' penalty |
| | | | 8.50 | Capital Share. No notice 1 month's penalty |
| Bradford and Bingley | 7.25 | 8.25 | 8.50 | 1 month's notice or on demand |
| | | | 8.25 | 7 days' notice |
| Britannia | 7.25 | 8.25 | 8.25 | 7 days' notice, 8.50 2 months' notice |
| Cardiff | 8.00 | 8.75 | — | |
| | *8.50 | — | — | *Share account balance £10,000 and over |
| Catholic | 7.50 | 8.50 | 8.50 | 6-month deposits. Monthly income |
| Century (Edinburgh) | 7.75 | — | 8.75 | 2/3 years. Details supplied |
| Chelsea | 7.25 | 8.25 | 8.75 | Immed. withdrawal (int. pen.) or 1 mth.'s not. |
| Cheltenham and Gloucester | 7.25 | 8.25 | 8.25 | Gold account £1,000 + no notice no penalties. Monthly interest. £5,000 minimum, 8.57 if compounded |
| Citizens Regency | 7.50 | 9.00 | 8.40 | plus account no penalty. Double option 8.50 |
| City of London (The) | 7.50 | 8.25 | 9.00 | 6 months' notice—no penalty |
| Derbyshire | 7.25 | 8.50 | 9.00 | 8.25 1 month's not., 7.75-8.60 3 months' notice |
| Greenwich | 7.25 | 8.50 | 8.50 | (max.) at 28 days' notice/penalty |
| Guardian | 7.50 | — | 8.75 | 3 months, £1,000 minimum |
| Halifax | 7.25 | 8.25 | 8.25 | Xtra Interest, 7 days' notice, no penalty |
| | | | 8.50 | Xtra Interest PLUS 28 days' notice, no penalty |
| | | | 8.75 | Special Inv. Cert., 3 months' notice/penalty |
| Heart of England | 7.25 | 8.50 | 9.00 | 8.25 5-day Notice Account |
| Hemel Hempstead | 7.25 | 8.50 | 8.75 | 3 years, 8.50 28 days |
| Hendon | 8.25 | — | 8.75 | 3 months |
| Lambeth | 7.50 | 8.75 | 9.10 | 28 days plus loss of interest, 8.25 3 months |
| Leamington Spa | 7.35 | — | 8.50 | Top Ten. 8.75 Lion Share |
| Leeds and Holbeck | 7.25 | 9.00 | 9.00 | 2 years with monthly int. 8.75 1 month's pen. |
| Leeds Permanent | 7.25 | 8.25 | 8.50 | Ex. Int. £500 min., 28 days' notice/penalty |
| Leicester | 7.25 | 8.25 | 8.25 | 3 months. 9.02 3 years |
| London and Grosvenor | 7.75 | — | 8.25 | High Yield (1 month) |
| London Permanent | 7.75 | — | 8.75 | 1-year term. Imm. wdl. with loss of 1% bonus |
| Midshires | 7.25 | 8.75 | 8.75 | 3-yr. term with 0.5% bonus on mat'y if reinv'td. |
| Mornington | 8.50 | 8.50 | — | |
| National Counties | †7.55 | 8.55 | 9.10 | 28 days' notice & loss of interest. † £1,000+ |
| National and Provincial | 7.25 | 8.25 | 8.50 | 1 month's notice plus monthly income |
| Nationwide | 7.25 | 8.25 | 8.75 | Capital Bonds, 3 yrs., £500 min. wdl. with 90 days' loss or notice. Bonus account 8.25, £500 minimum withdwl. with 28 days' loss or notice |
| Newcastle | 7.25 | 8.50 | 8.75 | 4 years, 8.25 28 days' notice, or on demand with penalty, 8.50 90 days' notice, or on demand with penalty |
| Northern Rock | 7.25 | 8.50 | 8.25 | 7-Day Moneyspinner, 7 days' not. wdl. no pen. |
| | | — | 8.75 | Premium Moneyspinner on demand, 28 days' loss of interest on amount wdn. |
| Norwich | 7.25 | 8.50 | 8.50 | City Account, immed. withdls. with no penalty |
| Paddington | 7.75 | 9.25 | 8.75 | 1 mth.'s not., or 1 mth.'s int. loss on sums wdn. |
| Peckham | 8.00 | — | 8.25 | 1 month, 8.50 2 years, 9.00 3 years |
| Portman | 7.25 | 8.75 | 8.75 | Two months' notice, 8.25 no notice |
| Portsmouth | 7.55 | 9.05 | 9.40 | 5 years, 9.00 8 months, 8.50 1 month |
| Property Owners | 7.75 | 9.00 | 8.75 | 28 days, 8.75 3 months, 8.50 monthly income |
| Scarborough | 7.25 | 8.50 | 8.25 | Money Care and Free Life Insurance |
| Skipton | 7.25 | 8.50 | 8.25 | £1,000-£4,999 Sovereign, no penalties, no notice |
| | | | 8.50 | £5,000+, no penalties, no notice |
| Stroud | 7.25 | 8.50 | 8.85 | 3 months, 8.25 1 month no penalty with notice |
| Sussex County | 7.25 | 9.00 | 8.25 | 7 days' notice, 8.50 Sx.Sh., 7.50 Sh. a/c £2,500+ |
| Sussex Mutual | 7.50 | 9.00 | 8.75 | 1 month's notice/immed. with 28 days' penalty |
| Thrift | 8.15 | — | 9.15 | 3-year term. Other accounts available |
| Town and Country | 7.25 | 8.25 | 8.75 | 3 yrs. ½-yrly. int. Monthly income wdl. facility |
| | | | 8.50 | 7 days' notice no interest penalty. ½-yearly int. |
| Wessex | 8.30 | — | — | |
| Woolwich | 7.25 | 8.25 | 8.25 | 7 days' notice |
| | | | 8.50 | 28 days' notice or on demand (interest pen.) |
| Yorkshire | 7.25 | 8.25 | 8.50 | Diamond Key, 60 days' penalty or 2 months' notice without penalty |

All these rates are after basic rate tax liability has been settled on behalf of the investor.

UNIT TRUSTS

# Do the managers earn their keep, or could you do better without them


## Record in sales but not in performance

**CLIVE WOLMAN discusses whether unit trusts' marketing claims are justified and whether their managers can beat the market**

THE WORLD is not the way they tell you it is. That is how 17 years ago The Money Game, a classic review of professional investment managers on Wall Street began.

But the warning should be repeated today to followers of unit trusts on this side of the Atlantic at a time when their popularity is surging to levels not achieved since 1972.

The 1983 gross sales total of £2,450m in new units, is an all-time record, as is the value of funds now under management, approaching £12,000m. Almost every type of financial services group in the country is launching its own range of unit trusts, attracted by the abnormally high profit margins they offer.

The rising stock markets around the world have assisted unit trust sales. But their success is also due to acceptance of another theme, which underlines all the promotional and marketing literature.

The message is that there are some clever men around who understand how the stock market works and which shares are going to do well. All you have to do is track them down by seeing how much money they've made for their clients in the past (please note our performance figures attached).

Then hand over your money and sit back and wait for the profits to roll in.

A stream of winners of unit trust performance competitions in 1983 have been announced over the last three weeks. All over the City, fund managers are sticking up in their reception halls framed certificates showing that their Japanese Smaller Companies Fund or European Special Situations Fund came top of the league in this or that category in 1983.

In case you didn't get the point, the display of these trophies is meant to prove that their owners possess special skills or understanding that enable them to beat the stock market.

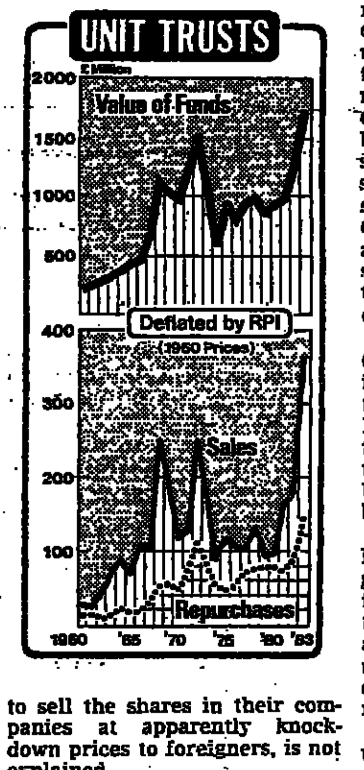
Nowhere is it suggested that the owners may just happen to be the fund managers who have thrown four sixes of the dice in a row. Nowhere is it suggested that you, me, your four-year-old kid or the little old lady next door would on average have made, or lost, just as much money as They have—even if we pick our stocks by throwing darts at the prices pages of the Financial Times.

Your local unit trust broker, or advisory service, may readily admit that you could lose out badly if you invest with a bad unit trust management group. But, he will say, that makes it all the more important for you to get proper advice about which group to invest in. With 630 unit trusts on offer covering every investment sector from healthcare to the Singapore and Malaysian stock markets, the choice can be confusing.

At this stage he will probably pick up sheets of unit trust performance figures, flick through them and tell you that the unit trust group A, with whom you have most of your money, achieved high returns in the 1970s but recently has been doing less well. By contrast group B's Pacific Basin Technology trust has been making rapid progress in recent years. It is now mainly invested in Japan.

He will perhaps flourish a figure from a newspaper report showing what a high proportion of Japanese GNP goes in investment as proof of its future growth prospects.

Why the Japanese have been deprived of this insight into the workings of their economy or why they should be willing to sell the shares in their companies at apparently knock-down prices to foreigners, is not explained.




Instead, if you agree, the broker will switch your money into the fund deducting from it a 3 per cent commission and marketing allowance for himself.

Admittedly, the best way and probably the only way of deciding whether a fund manager is likely to make you above-average profits in the future is to look at evidence of his investment skill in the past.

But it is almost impossible to do so at present because the information on unit trusts' performance record is either misleading or inadequate or both.

To give one example, several unit trusts in brochures and advertisements compare the returns on their units over whatever period happens to suit them with the returns on the FT Industrial Ordinary Index of 30 shares.

The principle of comparing performance against a stock market index is sound. If fund's value rises less than the index over a period, this means that an investor could have done better had he bought all the shares in the index in the correct proportions (if he had the money) without discrimination.

Even if he had bought just a random selection of shares, he probably would have done better.

But the FT 30-share Index is designed to measure only short-term changes in the market, hour by hour. The only accurate long-term measure is the FT-A All-Share Index covering 748 shares. In the eyes of unit trust marketing men, however, the attraction of the 30-share index is that, because of its composition, in the long term it substantially understates the rise in stock market. Thus a fund's performance is made to appear more respectable by comparison.

The record of units trusts in disclosing break-down of their portfolios and performance, is poor even in comparison with UK investment trusts and pension funds (or at least with the information that pension funds supply to their trustees' consulting actuaries).

The comparison with U.S. mutual funds and other managed funds is even worse. Yet unit trusts last year spent £6m on advertising and nearly £50m on commissions to supposedly financially astute brokers and intermediaries in order to "inform" the public about their investment skill and record.

In view of Professor Jim Gower's proposals to allow unit trusts to be sold by fast-talking salesmen on the doorstep, the disclosure record of unit trusts is a major cause for concern.

At the very least, the brokers of unit trusts ought to be demanding statistics showing:

- The return an international fund has achieved in each stock market, compared with the market index.
- The returns from currency movements and the returns from switches between different markets.
- The returns from switches between different industrial sectors and the returns from stock selection within those sectors.
- A measure of the volatility, and therefore the risk, of each sector of the portfolio and of the portfolio as a whole—and changes over time.

The sad story of the Britannia Gold and General unit trust illustrates the inadequacy of the present performance figures. In one of the unit trust competitions in 1982, the fund was the top performer of all the 500 UK unit trusts. In 1983, it was bottom.

The reason for this volte-face lay in the changing fortunes of gold and neither year's performance reveals much about the investment skills of the managers. But other unit trusts may have had similar reversals of fortunes for less transparent reasons.

For example, if a UK growth unit trust had put most of its money into electrical stocks for the five years up to 1982, it probably would have been the top performing trust even if it had invested in a random selection of individual companies. But last year the trust would have suffered a major reverse.

Similarly, the investment manager may have been successfully following some rather dubious trading rule, such as, "sell every share after it has risen by 15 per cent in value."

The choice of such strategies may reflect the skill of the fund manager and he may be able to judge the correct moment to abandon them. Or a particular strategy may have no more intrinsic merit than a decision to invest in all companies whose names begin with G.

After all, with 630 different unit trusts, each pursuing different strategies, it is likely that a handful will have chanced upon a lucky one. And sooner or later that luck will run out.

There are several ways of analysing performance to distinguish luck from skill. One method, used by the London Business School, is to look at every transaction of a fund manager, whether buying or selling shares, and see whether it has added to, or subtracted from, the fund's value.

The LBS performance analysis service has run through its computer over 40,000 transactions of about 15 fund managers. According to Jane Chapman, only two or three of these managers show any "signficant stock-selection skills."

We have asked Dr Desmond Corner, of Exeter University's Esmée Fairbairn Centre for Unit and Investment Trusts, to analyse the performance of UK unit trust. Unit trusts investing overseas were excluded because of the difficulty of finding a suitable index as a basis of comparison.

In one sense, his analysis is too flattering to unit trusts as it does not take into account the difference between the purchase and cashing-in price (the bid-offer spread). But if an investor was buying individual shares he would have to pay stockbroker's commission, jobber's turn and stamp duty.

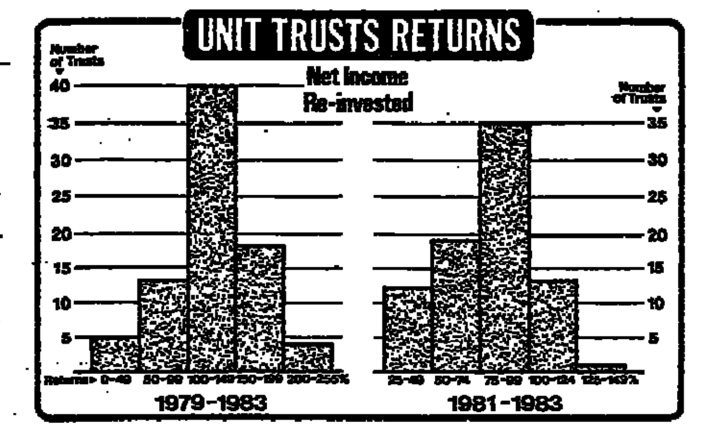
Because the information available is so limited and because the figures stretch back only over five years, it is difficult to draw any firm conclusions. Ten year performance records would be more useful.

But at the very least, the results over five years show that the average fund has underperformed the stock market index. This conclusion is in line with the returns achieved by pension fund managers investing in UK shares. Over the long term, they too have underperformed the index.

These results do not necessarily mean that the investor should sell all his unit trust holdings and invest in the market directly. Certain unit trusts investing in certain sectors may be worth subscribing to.

And the alternative methods of investing in the stock market are often limited, expensive and complicated. But, particularly with the emergence of new financial instruments, they must be considered.

These issues will be discussed over the next few Saturdays.




## A measure of returns against the average

**DESMOND CORNER and JOHN MATATKO of Exeter University explain how they have tested fund managers**

OVER THE past five years gross sales of unit trusts in the UK increased around fivefold to reach nearly £2.5bn in 1983. Although much of this money went into new foreign market trusts, sales of UK orientated trusts also increased. We examine here the returns made by those trusts which were almost wholly invested (90 per cent or more) in the UK during the past five years. We compare below the performance of all such (80) daily-priced non-accumulator unit trusts over five and three years against the FT Actuaries All Share Index. Performance figures are based on data held at the Esmée Fairbairn Centre and returns are calculated on an offer-to-offer price basis with net distributions reinvested. Income on FT Actuaries All Share Index has likewise been reinvested.

During the five-year period 1978-83 the FT Actuaries All Share Index showed a gain of 160 per cent; and over a three-year period 79 per cent. The comparable average returns for all trusts were 128 per cent and 80 per cent respectively. Thus, over the longer five-year period our 80 unit trusts failed on average to perform as well as the Index, taking capital gains and losses and distributions into account, but over the shorter period they did slightly better than the Index.

To judge the performance of a fund manager, the objectives of his fund must be taken into account. Income-orientated funds, for example, have to select stocks from a more limited range than for general funds, as they must ensure adequate yields on individual securities. Income stocks within the Index may fail to perform as well as other stocks and hence as well as the Index.

Sector weighting of portfolios have a major effect on performance. To take one example — oil companies account for around one tenth of the value of the stock market.

A fund may have a higher or lower proportion than this. And as, over the five-year period, oil stocks have fluctuated more violently and in different ways from mthe Index, the proportion of oils could have had a major effect on a fund managers' capital performance. A single decision could make a large difference.

The performance of individual trusts diverged greatly, as may be seen from the charts. For instance 50 per cent of all trusts returned between 100 per cent and 150 per cent over five years and almost 45 per cent between 75 per cent and 100 per cent over three years.

When considering investment in a "straightforward" UK equity portfolio, the investor will find three main types of trusts. These are classified as income, growth and general. Trusts in the first two categories have as their respective objectives high current yield and capital growth. The general trusts attempt to achieve a balance between yield and capital appreciation in their portfolios. Many analysts feel that "growth" portfolios tend to be more volatile than the other two objectives, offering both the chance of higher gains and the risk of a greater fall.

Two main issues confront the investor. Do these three types differ in their performance? Having chosen the trust type, does choice of particular trust within that type matter? The trust performance table shows a breakdown of five and three year returns by trust type. It is worth noting the relative pacity of growth funds in the table. This reflects our concentration on funds with a UK portfolio. Many growth fu[nds] include a substantial propo[rtion] of overseas investments ta[king] them outside our 90 per [cent] limit. The major feature[s of] the performance breakd[own] may be summarised as foll[ows]:

1—Over the last five year[s] three types of fund ma[de a] lower total return on ave[rage] than the FTA All Share [In]dex.

2—Over the last three y[ears] both income and gen[eral] trusts returned more than [the] FTA All Share Index.

3—The average perform[ance] figures conceal wide varia[tions] within each category. It [does] matter which particular t[rust] is chosen. For instance, [the] average growth trust re[turn] of 140 per cent over five y[ears] is based on a range of ret[urns] between 80 per cent and [255] per cent.

4—Over the longer t[ime] period it does seem as if [the] more volatile "growth" tr[usts] gave on average substanti[ally] higher return than "inco[me"] trusts, but also slightly m[ore] than "general."

5—The three-year perfo[rm]ance figures show a comp[lete] reversal of rankings of [the] three types compared with five-year figures.

**Percentage Returns over 5 and 3 Year Periods**

| | Average Total Return* % | Worst | Bes[t] |
|---|---|---|---|
| **5 Year Performance**** | | | |
| Income (33) | 103 | 30 | 18[illegible] |
| Growth (7) | 140 | 80 | 25[illegible] |
| General (26) | 138 | 34 | 24[illegible] |
| F.T.A. All Share Index | 160 | — | — |
| **3 Year Performance** | | | |
| Income | 87 | 28 | 12[illegible] |
| Growth | 61 | 33 | 97 |
| General | 82 | 25 | 13[illegible] |
| F.T.A. All Share Index | 79 | — | — |

* includes net income reinvested
** number of trusts in group in brackets

# *Sharing the spoils with your boss*


**BRIAN GROOM reviews the emerging popularity of profit-sharing schemes**

PROFIT-SHARING schemes are being introduced by a growing number of companies as a way of rewarding staff when business improves, without swelling their fixed wage and salary costs. The impetus provided by the Finance Act 1978, passed in the days of the Lib-Lab pact, shows little sign of abating.

This introduced approved deferred share trust schemes (ADSTs), which qualify for tax relief for both the employee and company. By the end of last year the Inland Revenue had approved 377 of them, with further submissions still being processed.

Under these schemes, the company allocates "profit" to a trust fund which acquires shares in the company on behalf of employees. Income tax may be payable when workers sell the shares but the rate of tax reduces over time, and if the share are held for more than seven years, the benefit is tax free.

Amersham International, Associated British Ports, Bass, Bassett, British Home Stores, H.P. Bulmer, Debenhams, Extel, Fothergill and Harvey, General Accident, House of Fraser, Sketchley, W. H. Smith and Whitbread are among the companies which have opted for trust schemes, according to a report published this week by Incomes Data Services, the pay research group.

ADSTs are not the only profit-sharing and share option schemes. There are hundreds of cash- and a few share-based schemes which do not qualify for relief from income tax; and more than 270 employers have introduced savings-related share option schemes under the Finance Act 1980 (which do carry tax relief).

Share schemes are popular among companies which want not only to reward staff, but improve employee involvement in the business—particularly larger companies, which can afford the administrative costs of establishing ADSTs, often in tandem with save-as-you-earn share schemes.

After the 1978 legislation, many employers added ADTSs to existing cash schemes, giving employees the choice of how they wish their bonus paid. Barclays, Boots and ICI all have mixed schemes.

With trust schemes, companies can set the payments they make to trustees against profits for tax purposes, provided these are used to buy shares in the company on employees' behalf, or the amounts paid are necessary to meet the reasonable expenses of trustees in running the scheme.

Employees do not have to pay income tax on the value of the shares at the time they are bought on their behalf. Normally they cannot sell them for the first two years. Subsequently they can be sold (if the scheme rules permit), but income tax is payable unless they are held for more than seven years.

If the shares are sold between the second and seventh year, tax is paid on either the price at the time they are acquired or the selling price, whichever is lower. The amount taxable declines over the period. Dividends are taxed in the normal way, the final amount depending on the employees' total income.

When workers sell shares they may be liable to capital gains tax on the difference between sale proceeds and the original value of the shares; but this will not be payable unless net gains after inflation adjustment in any year exceed the exempt amount, which for 1983-84 is £5,300.

Shares issued under a trust scheme must be part of the ordinary share capital of the company which sets it up. They must have the same rights to dividends and bonus issues as other ordinary shares, but companies are allowed to make their own arrangements on voting rights.

The value of shares set aside for an employee in any one tax year must not exceed a certain limit—currently £1,250 or 10 per cent of the employee's earnings, whichever is greater, up to a ceiling of £5,000.

Full-time employees who have been with the company for five years must be allowed to join the scheme, but in practice most qualifying periods are shorter. As the IDS study shows, schemes vary not just on eligibility but on a range of issues.

Companies decide the amounts of profit available for distribution in shares either at the discretion of directors, or by set formulae. Many have a threshold below which no payment is made. Payments tend to be worth between 2 and 5 per cent of employees' pay.

Formulae for deciding amounts available range from simple percentages of profit to "added value ratios." Allocation to individuals is decided either by salary, or by length of service; or a combination of both; or payments of equal value are made to all employees.

*IDS Study 306; 140 Gt Portland Street, London W1. For a detailed explanation of the regulations, see Approved Profit-Sharing Schemes (IR36 (1981)) published by the Board of Inland Revenue.*

# The Investment Trust Table

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

as at close of business on Monday 23rd January 1984 (cols 1–6); as at 30th December 1983 (cols 7–12)

| Total Net Assets (1) £million | INVESTMENT POLICY Trust (2) | Management (3) | Share Price (4) pence | Yield (5) % | Net Asset Value (6) pence | Geographical Spread: UK (7) % | Nth. Amer. (8) % | Japan (9) % | Other (10) % | Gearing Factor (11) base=100 | Total Return on N.A.V. over 5 years to 30.12.83 (12) base=100 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **CAPITAL & INCOME GROWTH** | | | | | | | | | | |
| 104 | Aberdeen | Aberdeen Fund Managers | 136 | 4.8 | 177 | 67 | 29 | 3 | 1 | 102 | 234 |
| 358 | Alliance Trust | Independently managed | 523 | 3.4 | 697 | 37 | 49 | 9 | 5 | 96 | 261 |
| 57 | Anglo Scottish | C.S. Investments | 136 | 2.7 | 155 | 46 | 46 | 2 | 6 | 98 | 272 |
| 80 | Bankers | Touche, Remnant | 144 | 4.1 | 196 | 56 | 30 | 10 | 4 | 109 | 278 |
| 182 | Border & Southern | John Govett | 132 | 3.4 | 182 | 43 | 25 | 22 | 10 | 105 | 233 |
| 61 | British American & Gen. | Kleinwort Benson | 89 | 4.2 | 112 | 44 | 42 | 9 | 5 | 101 | 228 |
| 260 | British Investment | Independently managed | 283 | 5.5 | 408 | 48 | 39 | 13 | – | 87 | 237 |
| 65 | Brunner | Kleinwort Benson | 65 | 4.0 | 84 | 45 | 41 | 5 | 9☐ | 104 | 272 |
| 49 | Cardinal | F & C Management | 162 | 3.2 | 193 | 54 | 23 | 7 | 16 | 104 | 259 |
| 72 | Charter Trust & Agency | Kleinwort Benson | 66 | 4.3 | 88 | 51 | 34 | 10 | 5 | 101 | 255 |
| 108 | Continental & Industrial | Schroder Wagg | 453 | 4.8 | 618 | 54 | 44 | – | 2 | 103 | 261 |
| 148 | Drayton Premier | Montagu Inv. Man. | 320 | 4.9 | 469 | 52 | 30 | 15 | 3 | 97 | 197 |
| 405 | Edinburgh Investment | Independently managed | 99 | 3.6 | 128 | 45 | 38 | 9 | 8 | 104 | 307 |
| 100 | First Scottish American | Independently managed | 212 | 3.5 | 280 | 42 | 37 | 19 | 2 | 109 | 244 |
| 78 | Fleming Universal | Robert Fleming | 252 | 3.8 | 339 | 51 | 31 | 10 | 8 | 106 | 227 |
| 487 | Foreign & Colonial | F & C Management | 110 | 2.9 | 152 | 39 | 31 | 23 | 7 | 110 | 271 |
| 48 | General Consolidated | Philip Hill | 196 | 5.1 | 255 | 57 | 38 | – | 5 | 97 | 262 |
| 562 | Globe | Electra House Group | 215 | 5.6 | 306 | 65 | 22 | 7 | 6 | 96 | 227 |
| 265 | Philip Hill | Philip Hill | 203 | 5.3 | 269 | 71 | 26 | – | 3 | 97 | 258 |
| 7 | Jos Holdings | Kleinwort Benson | 99 | 4.3 | 114 | 67 | 30 | 3 | – | 103 | 259 |
| 6 | Lancashire & London (q) | Rea Brothers | 113 | 3.6 | 155 | 72 | 28 | – | – | 73 | † |
| 23 | London & Lennox | Gartmore | 101 | 2.8 | 121 | 34 | 51 | 9 | 6 | 103 | 284 |
| 60 | London & Lomond | Gartmore | 110 | 2.7 | 131 | 45 | 48 | 4 | 3 | 115 | 275 |
| 27 | London & Strathclyde | Gartmore | 146 | 2.3 | 166 | 46 | 45 | 4 | 5 | 117 | 302 |
| 36 | Meldrum | Gartmore | 149 | 3.6 | 177 | 70 | 30 | – | – | 100 | 339 |
| 70 | Nineteen Twenty-Eight | Philip Hill | 162 | 4.6 | 186 | 49 | 46 | – | 5 | 97 | 236 |
| 120 | Northern American | Independently managed | 235 | 3.3 | 313 | 40 | 39 | 19 | 2 | 109 | 249 |
| 83 | Outwich | Baring Brothers | 104 | 3.3 | 146 | 56 | 20 | 15 | 9 | 113 | 246 |
| 102 | Raeburn | Lazard Brothers | 260 | 4.6 | 363 | 52 | 32 | 11 | 5 | 94 | 232 |
| 66 | River & Mercantile | Rivermoor | 106 | 5.7 | 135 | 65 | 18 | 11 | 6 | 97 | 271 |
| 36 | River Plate & General | Percy Tarbutt | 172 | 5.0 | 226 | 71 | 16 | 1 | 12 | 107 | 247 |
| 24 | Scottish & Mercantile (q) | Rea Brothers | 307 | 3.6 | 437 | 63 | 37 | – | – | 89 | † |
| 18 | Scottish Cities (q) | Rea Brothers | 343 | 5.6 | 513 | 77 | 19 | – | 4 | 69 | † |
| 371 | Scottish Mortgage | Baillie, Gifford | 304 | 2.9 | 405 | 33 | 37☐ | 25☐ | 5 | 105 | 294 |
| 172 | Scottish National | Gartmore (Scotland) | 180 | 3.1 | 246 | 49 | 38 | 7 | 6 | 107 | 264 |
| 122 | Scottish Northern | Paull & Williamsons | 112 | 3.9 | 158 | 61 | 32 | 3 | 4 | 106 | 231 |
| 119 | Second Alliance | Independently managed | 444 | 3.5 | 605 | 37 | 48 | 10 | 5 | 96 | 262 |
| 121 | Securities Trust of Scotland | Martin Currie | 95 | 4.6 | 134 | 55 | 32 | 12 | 1 | 106 | 236 |
| 396 | TR Industrial & General | Touche, Remnant | 130 | 3.5 | 174 | 41 | 22 | 28 | 9 | 104 | 248 |
| 307 | Witan | Henderson | 126 | 2.7 | 176 | 48 | 28 | 16 | 8 | 106 | 283 |
| 34 | Yeoman (q) | Independently managed | 215 | 4.8 | 271 | 77 | 14 | 5 | 4 | 97 | 254 |
| | **United Kingdom** | | | | | | | | | | |
| 9 | City of Oxford | Hambros Bank | 162 | 5.4 | 210 | 96 | 1 | – | 3 | 97 | 250 |
| 27 | Fleming Claverhouse | Robert Fleming | 196 | 5.5 | 268 | 100 | – | – | – | 98 | 281 |
| 23 | New Court | N M Rothschild | 322 | 6.1 | 428 | 96 | 2 | 1 | 1 | 106 | 242 |
| 5 | Shires | Independently managed | 198 | 8.5 | 189 | 98 | – | – | 2 | 65 | 170 |
| 84 | TR City of London | Touche, Remnant | 59 | 6.5 | 86 | 89 | 8 | – | 3 | 99 | 239 |
| 67 | Temple Bar | Electra House Group | 93 | 6.5 | 116 | 95 | – | – | 5 | 93 | 227 |
| | **CAPITAL GROWTH** | | | | | | | | | | |
| | **General** | | | | | | | | | | |
| 192 | Anglo-American Securities | Morgan Grenfell | 244 | 3.0 | 327 | 39 | 30 | 22 | 9 | 103 | 259 |
| 50 | Ashdown | Schroder Wagg | 344 | 2.9 | 456 | 50 | 33 | 10 | 7 | 92 | 256 |
| 5 | Atlanta Inv. Trust (q) | Atlanta Fund Mgrs. | 137 | 1.1 | 152 | 75 | 20 | – | 5 | 140 | † |
| 148 | Atlantic Assets | Ivory & Sime | 93 | 0.5 | 120 | 34☐ | 61 | – | 5 | 86 | 378 |
| 108 | Edinburgh Amer. Assets | Ivory & Sime | 185 | 0.7 | 227 | 14 | 76 | 6 | 4 | 106 | 306 |
| 57 | Electric & General | Henderson | 232 | 1.9 | 305 | 46 | 39 | 11 | 4 | 100 | 298 |
| 49 | General Funds (q) | City Financial | 463 | 2.6 | 635 | 37 | 24 | 32 | 7 | 104 | 260 |
| 20 | Greenfriar | Henderson | 415 | 0.9 | 500 | 45 | 27 | 13 | 15 | 100 | 354 |
| 40 | 'Investing in Success' (q) | City Financial | 437 | 1.7 | 583 | 38 | 20 | 41 | 1 | 111 | 252 |
| 131 | Merchants | Kleinwort Benson | 80 | 4.3 | 110 | 46 | 39 | 9 | 6☐ | 99 | 253 |
| 3 | Personal Assets (q) | Ivory & Sime | 34 | 0.0 | 33 | 52☐ | 38 | – | 10☐ | 62 | † |
| 218 | Scottish Eastern | Martin Currie | 135 | 3.5 | 186 | 45 | 37 | 14 | 4 | 111 | 228 |
| | **International** | | | | | | | | | | |
| 71 | Berry | GT Management | 296 | 0.9 | 333 | 41 | 30 | 14 | 15 | 129 | 348 |
| 56 | Bishopsgate | Hambros Bank | 153 | 3.3 | 208 | 52 | 37 | 8 | 3 | 111 | 253 |
| 94 | English & New York | Kleinwort Benson | 81 | 4.1 | 109 | 31 | 52 | 7 | 10 | 105 | 241 |
| 65 | English & Scottish | Gartmore | 126 | 2.3* | 158 | 42 | 33 | 15 | 10 | 104 | 328 |
| 9 | F & C Eurotrust | F & C Management | 103 | 2.1 | 116 | 10 | 1 | – | 89 | 107 | 171 |
| 172 | Fleming Overseas | Robert Fleming | 292 | 3.4 | 387 | 18 | 36 | 29 | 17 | 90 | 249 |
| 23 | Group Investors | C. S. Investments | 224 | 2.2 | 283 | 42 | 46 | 10 | 2 | 102 | 342 |
| 109 | Hambros | Hambros Bank | 134 | 3.6 | 176 | 54 | 37 | 4 | 5 | 111 | 262 |
| 176 | Investors Capital Trust | Independently managed | 186 | 2.7 | 250 | 35 | 42 | 18 | 5 | 87 | 245 |
| 16 | London & Gartmore | Gartmore | 263 | 0.8 | 297 | 23 | 56 | 5 | 16 | 112 | 325 |
| 8 | Mid Wynd International | Baillie, Gifford | 138 | 1.9 | 145 | 12 | 35 | 31☐ | 22 | 100 | † |
| 148 | Monks | Baillie, Gifford | 135 | 2.5 | 174 | 25 | 36 | 33 | 6 | 100 | 280 |
| 170 | Murray Clydesdale | Murray Johnstone | 77 | 2.6* | 105 | 31 | 46☐ | 18 | 5 | 100 | 239 |
| 44 | Murray Glendevon | Murray Johnstone | 248 | 1.8 | 322 | 35 | 27☐ | 26 | 12 | 107 | 242 |
| 67 | Murray Northern | Murray Johnstone | 150 | 1.9* | 186 | 17 | 9 | 31☐ | 43 | 108 | 239 |
| 189 | Murray Western | Murray Johnstone | 97 | 2.8* | 135 | 27 | 49☐ | 18 | 6 | 94 | 243 |
| 63 | North Atlantic Securities | Morgan Grenfell | 273 | 1.6 | 324 | – | 59 | 32 | 9 | 98 | 273 |
| 25 | Northern Securities | GT Management | 422 | 1.7 | 523 | 51 | 25 | 12 | 12 | 125 | 307 |
| 56 | Romney | Lazard Brothers | 212 | 3.0 | 287 | 28 | 36 | 24 | 12 | 102 | 254 |
| 286 | Scottish Investment Trust | Independently managed | 224 | 3.0 | 310 | 31 | 40 | 19 | 10 | 101 | 244 |
| 87 | Trans-Oceanic | Schroder Wagg | 145 | 2.8 | 188 | 40☐ | 49 | 7 | 4 | 94 | 250 |
| 62 | Tribune | Baring Brothers | 181 | 2.8 | 244 | 35 | 41 | 17 | 7 | 90 | 289 |
| 172 | U.S. Debenture Corp. | GT Management | 178 | 5.2 | 227 | 50 | 33 | 12 | 5 | 114 | 218 |
| | **North America** | | | | | | | | | | |
| 118 | American | Edinburgh Fund Mgrs. | 100 | 3.4* | 138 | 26 | 74 | – | – | 100 | 248 |
| 106 | Fleming American | Robert Fleming | 402 | 1.5 | 512 | 3 | 95 | – | 2 | 97 | 235 |
| 129 | Stockholders | John Govett | 221 | 2.5 | 289 | 19 | 76 | 1 | 4 | 101 | 222 |
| 73 | TR North America | Touche, Remnant | 163 | 2.8 | 201 | 7 | 93 | – | – | 110 | 265 |
| | **Far East** | | | | | | | | | | |
| 22 | Drayton Far Eastern | Montagu Inv. Man. | 118 | 1.0 | 130 | 6 | – | 66 | 28 | 99 | 263 |
| 165 | Fleming Far Eastern | Robert Fleming | 291 | 0.7 | 317 | 3 | – | 73 | 24 | 102 | 294 |
| 144 | Lake View | John Govett | 262 | 2.3 | 311 | 24 | 4 | 46 | 26 | 105 | 247 |
| 6 | New Australia | Edinburgh Fund Mgrs. | 106 | 2.0 | 116 | – | – | – | 100 | 109 | † |
| 34 | TR Australia | Touche, Remnant | 104 | 2.5 | 117 | 12 | – | – | 88 | 104 | 256 |
| 100 | TR Pacific Basin | Touche, Remnant | 236 | 1.2 | 274 | 8 | 2 | 75 | 15 | 105 | 263 |
| | **Japan** | | | | | | | | | | |
| 25 | Baillie Gifford Japan | Baillie, Gifford | 243 | 0.1 | 244 | – | – | 100 | – | 93 | † |
| 50 | Crescent Japan | Edinburgh Fund Mgrs. | 739 | 0.3 | 742 | – | – | 100 | – | 100 | 296 |
| 140 | Drayton Japan | Montagu Inv. Man. | 360 | 1.2 | 412 | 2 | 3 | 90 | 5 | 98 | 240 |
| 83 | Fleming Japanese | Robert Fleming | 484 | 0.5* | 512 | 3 | – | 97 | – | 104 | 310 |
| 48 | GT Japan | GT Management | 169 | 0.9 | 147 | 10☐ | 3 | 85 | 2 | 97 | 337 |
| 17 | Japan Assets | Ivory & Sime | 59 | 0.1 | 57 | – | – | 100 | – | 94 | † |
| 31 | New Tokyo | Edinburgh Fund Mgrs. | 313 | 0.0 | 307 | – | – | 100 | – | 99 | † |
| | **Commodities & Energy** | | | | | | | | | | |
| 6● | City & Foreign | Montagu Inv. Man. | 105 | 1.4 | 152 | 5 | 95 | – | – | 92 | 239 |
| 10 | New Darien | Hodgson Martin | 63 | 0.6 | 92 | 13 | 72 | – | 15 | 112 | † |
| 31● | North Sea Assets (q) | Ivory & Sime | 115 | 3.7 | 172 | 68☐ | 32 | – | – | 101 | † |
| 15 | Oil & Associated (q) | Independently managed | 129 | 4.8 | 149 | 61 | 32 | – | 7 | 97 | 232 |
| 16 | Precious Metals | J. Rothschild | 113 | 0.7 | 136 | 10☐ | 57 | 1 | 32 | 91 | † |
| 99 | TR Natural Resources | Touche, Remnant | 239 | 4.5 | 324 | 49 | 31 | 1 | 19 | 101 | 218 |
| 64 | Viking Resources | Ivory & Sime | 80 | 1.6 | 117 | 31☐ | 66 | – | 3 | 109 | 295 |
| 14 | Wemyss | Edinburgh Fund Mgrs. | 474 | 6.0 | 629 | 41 | 30 | – | 29 | 87 | 201 |
| 25 | Winterbottom Energy | Baillie, Gifford | 69 | 1.7 | 95 | 5 | 92 | – | 3 | 90 | 180 |
| | **Technology** | | | | | | | | | | |
| 76 | Fleming Technology | Robert Fleming | 142 | 2.2 | 191 | 42 | 37 | 19 | 2 | 97 | 281 |
| 87 | Independent | Ivory & Sime | 280 | 0.3 | 308 | 27☐ | 66 | – | 7 | 83 | † |
| 259 | TR Technology | Touche, Remnant | 158 | 3.0 | 220 | 34 | 41 | 21 | 4 | 108 | 266 |
| | **INCOME GROWTH** | | | | | | | | | | |
| 207 | British Assets | Ivory & Sime | 157 | 4.5 | 211 | 39 | 58 | – | 3 | 99 | 244 |
| 17 | Lowland | Henderson | 182 | 4.5 | 211 | 85 | 8 | 2 | 5 | 103 | 350 |
| 105 | Murray Caledonian | Murray Johnstone | 94 | 6.7* | 111 | 72 | 9☐ | 10☐ | 9 | 95 | 251 |
| | **SMALLER COMPANIES** | | | | | | | | | | |
| 55 | Alliance Investment | F & C Management | 80 | 2.8 | 104 | 54 | 25 | 15 | 6 | 110 | 292 |
| 32 | Dundee & London (q) | Tay & Thames Inv. Serv. | 152 | 4.1 | 192 | 65 | 20 | 12 | 3 | 100 | 240 |
| † | EDITH (q) | Investors in Industry | 57 | 5.8 | † | 97 | 3☐ | – | – | 63 | † |
| 31 | English & International | Montagu Inv. Man. | 204 | 4.2 | 271 | 57 | 28 | 8 | 7 | 101 | 239 |
| 9 | Family | Kleinwort Benson | 168 | 5.4 | 212 | 95 | 2 | – | 3 | 98 | 237 |
| 8 | First Charlotte (q) | Ivory & Sime | 12 | 0.6 | 11 | 77☐ | 23 | – | – | 78 | † |
| 17 | Fleming Fledgeling | Robert Fleming | 103 | 3.1 | 134 | 74 | 21 | 4 | 1 | 99 | 335 |
| 30 | General Scottish | Edinburgh Fund Mgrs. | 128 | 3.5 | 149 | 53 | 34 | 13☐ | – | 97 | 289 |
| 25 | General Stockholders | John Govett | 245 | 2.4 | 338 | 29 | 62 | 4 | 5 | 98 | 215 |
| 43 | Glasgow Stockholders | Gartmore (Scotland) | 136 | 2.7 | 173 | 41 | 49 | 2 | 8 | 104 | 269 |
| 21 | London Atlantic | Investors in Industry | 138 | 5.4 | 182 | 64 | 18 | – | 18 | 93 | 230 |
| 16 | London Prudential | Kleinwort Benson | 205 | 3.8 | 239 | 61 | 25 | 10 | 4 | 93 | 254 |
| 13 | Moorgate | Philip Hill | 236 | 5.6 | 266 | 93 | 3 | – | 4 | 97 | 281 |
| 13 | North British Canadian | Investors in Industry | 148 | 5.3 | 194 | 89 | 4 | – | 7 | 104 | 235 |
| 24 | Safeguard (q) | London & Yorkshire | 167 | 5.6 | 210 | 100 | – | – | – | 99 | 242 |
| 41 | St Andrew | Martin Currie | 265 | 3.8 | 352 | 53 | 32 | 11 | 4 | 98 | 242 |
| 187 | Scottish American | Stewart Fund Managers | 202 | 3.3 | 273 | 38 | 48 | 8 | 6 | 125 | 270 |
| 143 | TR Trustees Corp. | Touche, Remnant | 105 | 4.5 | 152 | 61 | 30 | 3 | 6 | 105 | 244 |
| † | Throgmorton | Throgmorton Inv. Man. | 180 | 5.2 | † | † | † | † | † | † | † |
| | **SPECIAL FEATURES** | | | | | | | | | | |
| 48 | Ailsa | J. Rothschild | 75 | 2.5 | 98 | 39 | 33 | 19☐ | 9 | 94 | † |
| 128● | Drayton Consolidated | Montagu Inv. Man. | 272 | 4.5 | 368 | 60 | 25 | 9 | 6 | 97 | 200 |
| 19 | Edinburgh Financial (q) | Stanecastle Assets | 52 | 1.6 | 49 | 82 | 9 | 7 | 2 | 144 | † |
| 25● | Fleming Enterprise | Robert Fleming | 194 | 5.3 | 255 | 100 | – | – | – | 94 | 261 |
| 229 | Fleming Mercantile | Robert Fleming | 98 | 4.0 | 143 | 45 | 32 | 10 | 13 | 103 | 265 |
| 16 | GT Global Recovery | GT Management | 98 | 5.1 | 121 | 45 | 30 | 16 | 9 | 124 | † |
| 64 | General Investors | F & C Management | 154 | 3.5 | 187 | 47 | 21 | 7 | 25 | 106 | 270 |
| 135 | London Trust | Rivermoor | 83 | 6.5 | 109 | 66 | 24 | – | 10 | 106 | 190 |
| 11 | Montagu Boston | Montagu Inv. Man. | 111 | 1.6 | 116 | 26☐ | 74 | – | – | 74 | 215 |
| 374● | RIT and Northern | J. Rothschild | 233 | 4.0 | 303 | 37☐ | 35☐ | 9☐ | 19 | 91 | 279 |
| 10 | Stewart Enterprise | Stewart Fund Managers | 38 | 1.5 | 54 | 31 | 44 | 15 | 10 | 126 | † |
| 69 | TR Property | Touche, Remnant | 117 | 3.4 | 152 | 73 | 13 | 3 | 11 | 102 | 228 |
| | **SPLIT CAPITAL (x)** | | | | | | | | | | |
| 18 | Altifund | Gartmore | 385 | 0.1 | 490 | 91 | 4 | 3 | 2 | 112 | 334 |
| 2 | Child Health Research | GT Management | 272 | – | 336 | 49☐ | 32 | 15 | 4 | 109 | † |
| 30 | City & Commercial | Montagu Inv. Man. | 413 | – | 684 | 90 | 4 | 5 | 1 | 123 | 309 |
| 25 | Dualvest | Montagu Inv. Man. | 755 | – | 1014 | 90 | 8 | 1 | 1 | 117 | 255 |
| 24 | Fundinvest | Montagu Inv. Man. | 217 | – | 320 | 87 | 5 | 5 | 3 | 117 | 273 |
| 2 | Marine Adventure Sailing | GT Management | 180 | – | 225 | 49☐ | 34 | 14 | 3 | 111 | † |
| 26 | New Throgmorton (1983) | Throgmorton Inv. Man. | 28 | – | 66 | 98 | – | – | 2 | 199 | † |
| 9 | Rosedimond | Hambros Bank | 217 | – | 207 | 100☐ | – | – | – | † | 172 |
| 23 | Save & Prosper Linked | Save & Prosper Group | 162 | – | 372 | 100 | – | – | – | 132 | 211 |
| 17 | Throgmorton Sec'd Growth | Throgmorton Inv. Man. | 225 | – | 317 | 100 | – | – | – | † | 180 |
| 65 | Triplevest | Montagu Inv. Man. | 500 | – | 855 | 86 | 11 | 2 | 1 | 125 | 245 |

**NOTES TO THE TABLE**

† No data.
\- Applies to Ordinary/"A" Ordinary only.
a Does not include special dividend.
☐ More than one quarter in non-equity investments.
(x) Capital shares.
● More than 20% in securities or other assets included at director's valuation.
ac Adjusted for scrip issue.
ar Adjusted for rights issue.
(q) Published quarterly.

(a) Cols. 1, 4 to 6 Figures supplied by Wood Mackenzie & Co. members of The Stock Exchange. The figures in Cols 1&6 are simulated to date shown based on latest valuation supplied by the companies and made available to The Stock Exchange.

(b) Col. 11 The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet 'More for your money.'

**INDICES OF FIVE YEAR TOTAL RETURN**

| | |
|---|---|
| + Investment Trust Average | 260 |
| F.T.-Actuaries All Share | 262 |
| * Standard & Poors Composite | 201 |
| * Tokyo New Share Exchange | 141 |
| * Capital International World | 175 |

\+ Excludes split capital.
* Adjusted for exchange rate changes.

Additional explanatory notes are available on request from The Secretary, The Association of Investment Trust Companies, FREEPOST, London EC2B 2JJ. Tel: 01-588 5347.

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INVESTMENT TRUSTS

هكذا صدر الأصل



# Oil drilling in a tax shelter

**CLIVE WOLMAN explains how you and the taxman share the risks and rewards of on-shore exploration.**

IF YOU'RE in a high tax bracket today, but are likely to be handing over less to the Inland Revenue in future, because perhaps you're retiring or going to work abroad, you should consider drilling for onshore oil in the U.S.

Greenwood Oil, the UK subsidiary of the Colorado oil and gas exploration company Greenwood Resources, received clearance from the Inland Revenue earlier this month for a scheme through which private investors are placed in limited partnerships.

You and your partners take small stakes in a diversified spread of exploratory wells and wells aimed at exploiting parts of a field which has already been discovered. The drilling locations are chosen by Greenwood Resources which specialises in exploration in Texas and the area to the east of the Rocky Mountains. Greenwood will also manage and supervise all the drilling for the partnerships.

Since it was set up in 1977, Greenwood has organised 15 limited partnerships in the U.S. which have drilled 265 wells. As it steers clear of wild-cat drillings, it has struck oil or gas in commercially viable amounts in as much as 63 per cent of its drillings.

Its limited partners have achieved average returns of 200 per cent on low risk development drilling, claims Greenwood. A run of bad luck or poor geological research may still mean that a partnership's money will run out with little or nothing to show from it. But only rarely will Greenwood arrange for a partnership to borrow money using reserves as collateral. Thus investors are unlikely to face the difficulties of the limited partnerships associated with Petro-Lewis, the troubled U.S. company which has set up a record number of such partnerships for oil exploration.

The management charges are steep and varied. They comprise:

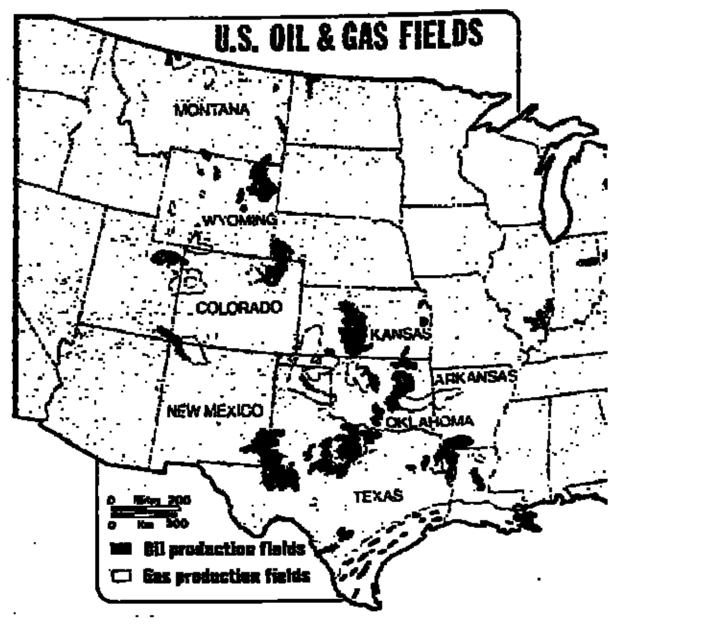
- An initial charge of 3 per cent of the money raised for a partnership.
- An annual fee of 1 per cent of the money raised.
- A fee amounting to 5 per cent of the total income accruing to the partnership from the sale of oil or gas.
- An additional fee of 5 per cent of the net income.
- A further fee amounting to 10 per cent of the remaining revenue.
- A 10 per cent share of the profits after the capital invested has been recovered by the partners.

But the risks of the investment are greatly reduced by the method of taxation. All the management costs, consultancy fees, and nearly all the capital expenditure and drilling costs can be fully offset against the investor's top rate of tax.

Thus an investor in the highest tax bracket will find nearly 75 per cent of his bill picked up by the taxman, as with the Business Expansion Scheme. There are however no limits on the amount of tax relief available — and Greenwood insists on a minimum subscription of £10,000.

Greenwood expects all the funds it raises to be invested by March, 1985. In the first two years of a partnership's existence, any returns from the sale of gas or oil are likely to be small. Thereafter, however, with luck, the income should start to flow. The taxman, having borne part of the costs and the risks of the investment will now share in the profits, at your top marginal rate. But if you've been able to time your investment well, this rate will be lower than the tax rate at which you previously claimed relief.

The tax benefits would be even greater if you could sell out your interest for a capital sum. But no developed market in such partnerships exists.




Participation in a partnership rather than, say, buying shares in an oil exploration company is necessary to benefit from this method of taxation. But at least a limited partnership ensures that you won't go bankrupt if, for example, your well suffers a blow-out, wreaking death destruction on the surrou[nding] neighbourhood.

About 20 per cent of oi[l and] gas exploration in [North] America is financed by [indi]viduals who take direct s[takes] in drillings.

WORLD STOCK MARKETS

# The attractions of joining the protected Swiss

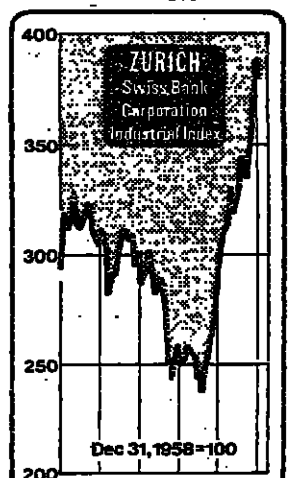
SWITZERLAND HAS long been one of the world's most highly-industrialised countries, as well as a leading financial centre. It is hardly surprising that Zurich —with a 1983 turnover of over SwFr 266bn—is also at the top of the list of continental stock exchanges.

At the end of November, 183 Swiss and 167 foreign shares were listed there, together with 1,405 domestic and 632 foreign bonds.

The recent boom has meant that non-resident investors have been buying more Swiss shares. Early this month the Swiss Bank Corporation Share Index reached 403.8 points — the first time since 1972 that it had broken the 400 mark.

It was thus up by 25 per cent on last year's mid-January low, as compared with inflation of under 2 per cent.

A breakdown of listed Swiss companies reflects the make-up of Switzerland's diversified economy. At the end of last




September, the biggest market value was that of Union Bank of Switzerland, capitalising at over SwFr 10bn, followed by the international food group Nestle, with some SwFr 9bn, two more big banks — Credit Suisse and Swiss Bank Corporation — and the chemical companies Hoffmann-la Roche and Ciba-Geigy.

Most companies prefer to keep dividends as stable as possible, working to a conservative reserve policy — though this aim for stability also means that a dividend will sometimes be paid which has not been fully earned. Generally, dividends of Swiss companies average out at rather less than 5 per cent of capital resources. This cautious approach means that shareholders frequently receive only about one-half — sometimes only one-third — of profits.

Rights issues at knockdown prices are a regular feature of companies' capital formation. levels to just over SwFr 1bn.

The yield on Swiss shares is in itself not particularly attractive. On January 25 the overall figure was of 2.45 per cent, with individual yields ranging from 1.35 per cent in the metals industry to 3.19 per cent on bank stocks.

Swiss companies, once notorious for their poor disclosure practices, have come a long way in the past few years. Today, all but a few listed firms provide reasonably full details of their financial results and indicate future trends.

Among the major sectors represented on the market, the banks, insurers and chemical companies have had a good 1983. The investment managers of Bank Julius Baer emphasise the attractions of the banking and service sectors, and also selected machinery shares.

Switzerland is also the home of a major bond market. In the first 11 months of last year, a net sum of SwFr 8.19bn was raised by domestic borrowers on the public bond market. In the private sector, the banks rule the roost, raising SwFr 2.1bn alone in the January-November period.

The banks play a key role in the provision of capital. As well as making loans to corporate clients, they virtually run the stock market. All members of the bourse are banks, as well as the majority of over-the-counter securities dealers.

Institutional investors, banks, insurers and pension funds are predominant on the Swiss share market. The private Swiss citizen is not particularly share-minded. Not only are average yields as good or better in lower-risk investments—such as public-authority bonds or the banks' own medium-term cash bonds—but single shares typically cost a large chunk of money.

Foreign investors have traditionally had an important stake in the bond market, not least as a way of placing funds in Swiss francs. With the exception of registered shares, introduced originally to ward off foreign interests in World War II and, later, Opec shareholdings in the mid-70s, foreigners now have the same rights to buy Swiss stock as nationals.

Buying stock in Zurich is cheaper than in most other centres, with a brokerage fee of 0.625 per cent on transactions of over SwFr 150, plus taxes and bourse contributions of 0.09 per cent. In Switzerland, a 35 per cent withholding tax is deducted at source from all Swiss capital income, but a treaty with the UK allows total relief from this tax on interest income and a direct refund of 20 of the 35 per cent on dividends.

In the case of investment via a Swiss mutual fund, co[mmis]sions are of 1 to 3 per [cent] ex-issue and Federal stamp of 0.9 per cent.

The same withholding rules apply, though not funds with at least 80 per [cent] of their portfolio in non-[Swiss] assets, which are free [of] withholding tax altogether.

There are at present som[e] open-ended funds in Sw[itzer]land, of which 20 are liste[d on] the Zurich exchange. [The] funds are linked closely [to] banks, most of them to the biggest, Union Bank of Sw[itzer]land, Swiss Bank Corpor[ation,] Credit Suisse and Swiss V[olks]bank. Only seven of th[e] securities funds have exclus[ively] Swiss portfolios, 26 of the [re]mainder having only for[eign] holdings and 51 m[ixed] domestic-foreign portfolios.

NEXT WEEK: The Scandinavian markets.

**John Wick[s]**

# The Mersey Sound again

JUNE FIELD

REAT scheme of re-housing and re-development has in principle approved," ow the Myrtle Street pro- ) be built on the site of ld Botanical Gardens in Hill, Liverpool, was bed to the 14th International Housing and Town ing Congress in July 1935. "new dwellings of the modern type," were d two years later by the ter of Health, Sir Kingsley

although renovated in- ly by Liverpool City il in 1968, by the end of 970s most of the blocks derelict and vandalised. lition began, with some of the 344 flats bulldozed ground.

in 1982, under the task initiative instituted by the Environment Secretary—el Heseltine—Sir Lawrie tt came to the rescue, ig the freehold of the site. e story of how the down- el municipal-owned Myrtle ens (as one section was d) was transformed into ter Court, a desirable place owner-occupiers to live, is ded in a film A Happy —The Challenge of the r Cities.

oduced by Barratt Developments, it examines the problems rban decay generally, and shown this week in one of House of Commons' committee rooms to a specially ed audience of MPs, executives of banks and building ties, housing corporations associations, Church Commissioners, London borough cillors and the like.

The subject is both a challenge to us all and an opportunity we cannot afford to ect," insists Sir Lawrie. se aim is to illustrate the ntial for inner city renewal and the country. He told me he was particularly proud the company's success at ster Court, in what was itled to be a high-risk ture for Liverpool.

The response of local residents was most gratifying. And provision of privacy and urity for the flats appreciated buyers as much as the activeness of the redesigned modernised interiors."

ertainly this remarkable nsformation has brought a ter life to this once troubled a. It is now up to the people o live there to ensure that it tinues.

The first immaculately refurbished Minster Court flats which aw last year, sold instantly between £12,000 to around ,000. The mix of buyers varies from social workers whose salaries are barely £4,000 a year, to croupiers (there are at least three) on £6,000, with a computer systems designer, doctor and tax manager in the higher income bracket.

Next week 78 "new-build" units are due for release, two-bedroom apartments and terraced houses, from £19,250 to £20,500 which includes the usual Barratt incentives for trouble-free purchase.

Alan Gladwin, managing director of Barratt Urban Renewal (Northern), is heavily involved in other projects, particularly Stockbridge Village on the outskirts of north-east Liverpool.

"The estate suffered from poor planning, with a badly designed system of roads and pedestrian ways, underpasses and so on, creating a muggers' alley," comments Mr Gladwin, pointing out that the company's involvement is total, both for new-build and renovation, in for sale and rented stock.

Approximate pre-estimates of values are housing for sale, £15.4m, and refurbished, £12.1m, with expenditure envisaged over a five-year period at £22.5m. Turnover of freeholds and leaseholds is anticipated at between 700 to 1,000 units a year.

"The revitalisation of housing stock, new shops and community centres will improve the quality of life. With good management and co-operation from residents, Stockbridge Village could be a blueprint for housing estates in the future, providing a completely fresh life-style."

This is Liverpool's year, of course, with its £35.7m pink concrete courthouse finished this month, and Britain's first International Garden Festival on a 250-acre derelict waterfront site to be held May 2-October 14.

In Matthew Street, where the famous Cavern Club once stood and reverberated to the Liverpool Sound of the 1960s, there will be a Beatles City Exhibition.

Wimpey Homes, house-building arm of George Wimpey since 1928, which first came to Liverpool in 1954, is also currently active on Merseyside. Managing director Nelson Oliver considers that urban renewal schemes present a tremendous growth market.

The company redeveloped 11 acres in Windermere Park in the heart of Toxteth last year, building some 225 terraced and semi-detached low-cost houses for sale outright or by shared ownership through the Liverpool Housing Association. The City Council was so impressed by the way the work was carried out that it bought the whole complex.

Current Wimpey schemes include the pleasing Cherrymead Development of 133 new homes (replacing old demolished flats), in a joint venture scheme with Sefton Metropolitan Borough. And at Waverley Park, Bootle, houses and flats are being refurbished under a shared ownership scheme. (The occupier buys a 50 or 75 per cent share, with the remainder owned by the Maritime Housing Association to which a small rent is paid until the outstanding balance of the home is bought.)

Cherrymead homes sell from £15,995 for a one-bedroom house, £22,325 for three bedrooms. At Waverley Park the next two bedroom units to come on stream will be around £14,000. Enquiries to Don Willis, Wimpey, Bridle Road, Bootle, Merseyside.

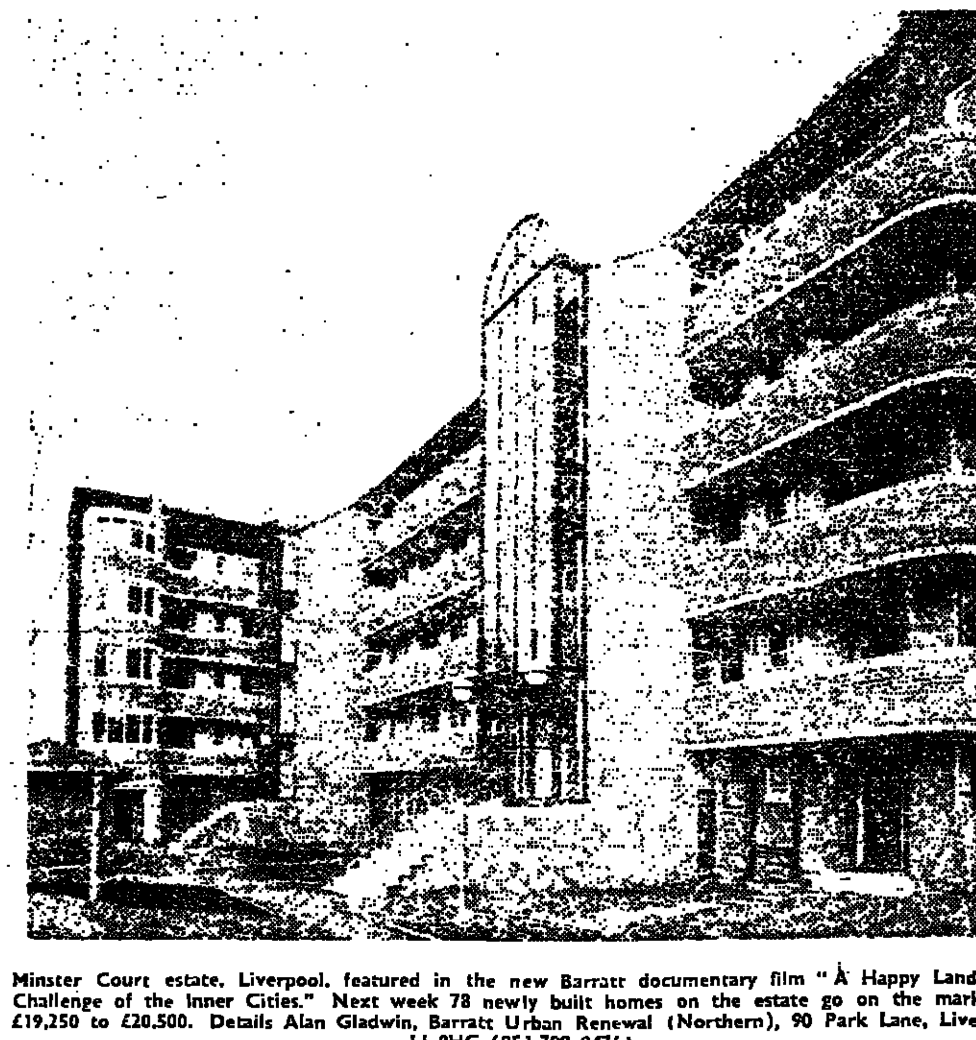
If you want to live where the Grants and the Collins families do, in Brookside, Channel 4's weekly soap opera, then the actual setting is Manor Courts, Croxteth Park, some five miles from the centre of Liverpool, between the East Lancs Road and the M57. Mersey Television acquired 13 of the houses in a quiet cul-de-sac on the development in which to produce, film and edit the series.)

The 500-acre pleasant parkland, which used to be part of the Earls of Sefton's estates (when the 7th and last Earl died in 1973, the whole of the land plus the Hall and various other properties was given to the local authority), is being developed by Broseley Estates. (Broseley, fourth biggest builder in Britain is a subsidiary of Guardian Royal Exchange Assurance.)

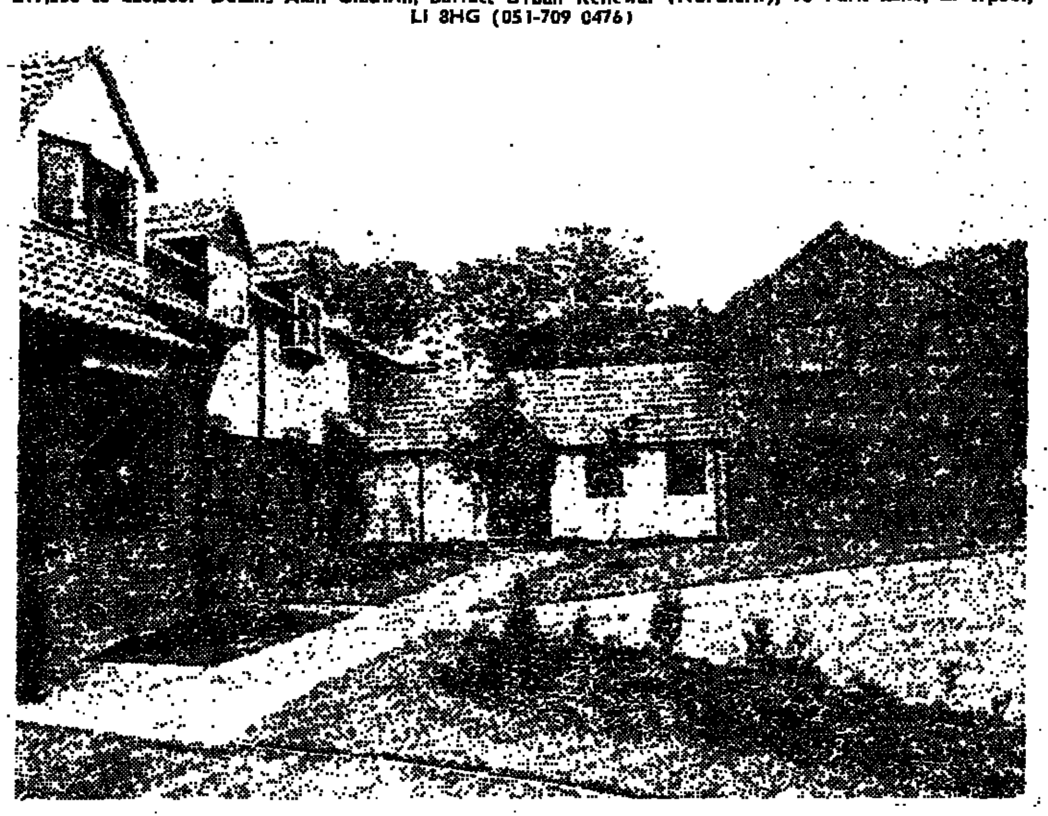
Claimed to be the largest private housing project in Europe, some 1,200 dwellings have been built and occupied at Croxteth Park. When building is completed in 1993, the total is expected to be 3,660, covering 30 to 40 different house types, with nearly a third of the land reserved for landscaping.

"With its totally unspoiled park and woodlands, the site is a housebuilder's dream," says Broseley's regional manager Graham Baker.

Prices for terraced and semi-detached houses with two bedrooms are from £20,495, bungalows are £21,750. Handsome four bedroom detached Tudor-style houses at £62,795 appeal to local company executives, particularly those at Ford Motor in nearby Halewood.



Minster Court estate, Liverpool, featured in the new Barratt documentary film "A Happy Land—The Challenge of the Inner Cities." Next week 78 newly built homes on the estate go on the market at £19,250 to £20,500. Details Alan Gladwin, Barratt Urban Renewal (Northern), 90 Park Lane, Liverpool, L1 8HG (051-709 0476)



Broseley Estates' Manor Courts, Croxteth Park, near Liverpool, where some of the houses are "home" for the families of "Brookside," Channel 4's weekly soap opera. Similar houses sell from around £22,000 to £40,000 or so. Details Graham Baker, Broseley Estates Fir Tree Drive South, Croxteth Park, Liverpool, L12 0JE (051-548 3277), or at the showhomes, open 7 days a week, 10-6

# Wind in the Willows — plus Mr Salmon

## FISHING

JOHN CHERRINGTON

ON CHRISTMAS afternoon I found myself wandering along the banks of the Wye, which are steep and muddy at this point. I thought I saw the quivering tail of a salmon spawning on a redd, the spawning ground for the fish. I leant over to have a better look and found myself sliding helplessly into one of the deeper pools where there is no current and where in the summer, the odd stale fish used to live.

Although I am a good swimmer I seemed to have been gripped by a strange inertia, probably because I had anaesthetised myself too well against an invasion of my kith and kin. This I decided was the end, and the only satisfaction I felt was that I had not booked another year's fishing on the river. At least my widow would have that to live on.

I slid into the water with scarcely a gurgle and after a moment found myself sitting on a sunken log, not too comfortably it must be said because it was festooned with the hooks of countless minnows that had snagged there over the years, to say nothing of even more indefensible engines. Through the clearing gloom I tried to discern another seat and spotting a substantial log as I thought, I put my hand out towards it and tried to move over.

But the log moved first, but at no shock to my system, and a strangely disembodied voice said. "Don't try and use me as a seat old man, it's time you realised some of the discomforts your kind have inflicted on me, my friends and relations." I looked more closely and saw that this was the biggest, oldest and stalest cock salmon I have ever seen with a most enormous kipe or mouth, and a colour black as night.

"Yet," he continued, "I recognise you, three times I have come up the river to spawn, escaping to the sea to regain my strength for a return in another couple of years. But it's never been as bad as this time."

"What is the trouble then?" I asked. "No hen fish to be found. For two years I have been living off the fat of the sea, building up my strength for a last fling among the ladies. I arrived in the river in May only to find that the majority of females, naturally greedy creatures that they are, had succumbed to the worms, which are the only bait that seem to be used around here these days. Then, those that were left, were taken off by the few young cock fish which arrived. Have you ever found yourself in that position, one of no interest to the opposite sex?"

"It's just age," I said. "You should take an interest in something else. Good works, or take up fishing."

"So you thought the pleasure of killing me and my kind would be a relief from the frustrations of unrequited sex? The women of Britain must be a difficult lot, if the numbers of men I see flogging the rivers are anything to go by. If I was like you I would cure my frustration by burying you here in this muddy redd, from which you would be extricated several millennia hence as a rather interesting fossil."

"But then," he continued, "I am a humane creature. I will content myself in giving you, my captive audience, a lecture.

"As fish you know we discuss these things between us, and we bear you no ill will. We used to enjoy a time when playing with your bright coloured lures and flies could only occasionally be our undoing. It was a sport in which we almost always won. But to use baits which are recognisable food: worms, sprats, prawns and so on is putting the angler on the same plane as a commercial netsman or trawler owner. It's no longer a sport.

"Even these could have been borne had it not been for the modern developments, the nylon nets we cannot see, the echo sounders that find our shoals, the poachers who poison a pool. I fear we are a dying race."

"But," I asked him, "what about the modern developments of fish breeding, stocking the rivers with ova or parr?"

At this point he became very agitated and I thought it best to float away. The water began to clear and I felt someone shaking me gently. It was my wife. "You have slept long enough, dear! The Frobishers have just arrived, didn't you remember?" I remembered them well, immature and undersized just like the grilse I had been told about. I got out of my chair and went to open the door.

# A jewel in the crown revisited

## TRAVEL

RONALD IRVING

OUR ARRIVAL in Madras was greeted by posters advertising the revival of a cowboy film made some 15 years ago, starring M. G. Ramachandran. This actor subsequently became (in the vein of President Reagan), a successful party politician, and is now Chief Minister of State. Not surprisingly, the city has a booming film industry.

Once a tiny fishing village, it has become India's finest port. In 1639, the local Rajah granted the British a stretch of coastline in which they built Fort George, and from that has developed the present city. Today, there are miles of promenade where children take pony rides and play on the sands.

Madras is pleasant and modern with a population of 4.2 million. It is also redolent of the British past. The house in which Clive of India lived has been preserved, and the charming old church where he was married, within the walls of Fort George.

This huge fortress once stood on the shores of the Bay of Bengal, but the accumulation of sand has now thrust it inland. It has massive brick ramparts surrounded by a wide moat in which crocodiles used to live. Today, one can see these fascinating creatures down the coast, farmed by an American.

Surprisingly, India now welcomes Soviet Tourists, and even the souvenir pedlars barter in Russian. A German couple showed us a salt-encrusted, two-kopek piece, which they had found on Mahabalipuram beach, where we were staying in the luxurious Temple Bay Hotel.

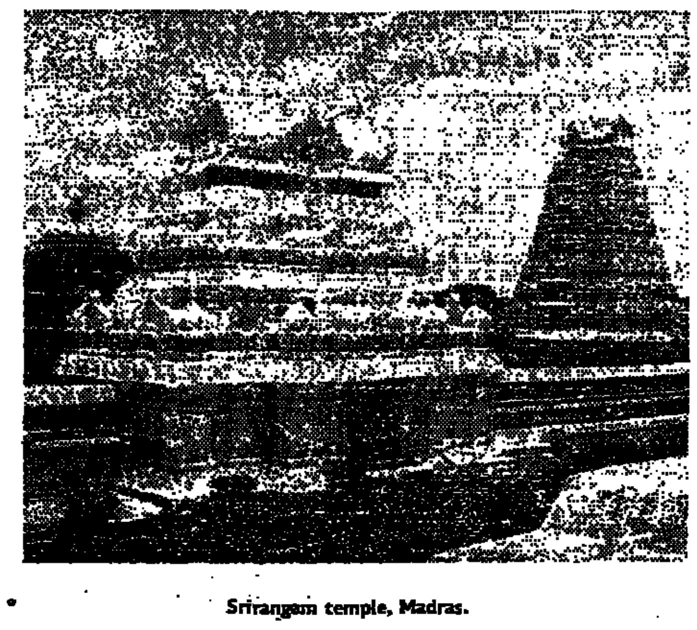
Prince Charles, and Mrs Gandhi have stayed there, and we were given the same suite. It had carved rosewood double-doors, linking the bedroom to the sitting room, which was strewn with elegant rattan armchairs with the palest green cushions. Only the large refrigerator standing at one end seemed out of place on the royal blue carpet. We slept in an enormous four-poster bed, completely enclosed by mosquito netting and parted blue chiffon curtains. Not everyone can claim to have shared a bed with both Prince Charles and Mrs Gandhi!

Mahaballipuram is now an attractive resort with a wide choice of hotels. In ancient times, it was an important seaport. Its name means "Great Warrior City." As we walked along the beach towards the famous "Shore Temple" an army of tiny ghost crabs scuttled into the sea. This temple, built in AD 720, is now in danger of being swept into the sea. Its historical significance is that it was the first Hindu Temple to be constructed from individual granite blocks.

In 1827, Sir Mortimer Wheeler started to dig in the sand below the lighthouse. He uncovered five small temples of the older type, each carefully chiselled out of the solid rock with the simplest of tools—an amazing feat of skill and perserverance. Nearby, a marvellous carved, 30 feet high, rock frieze called "Arjuna's Penance" adorns the face of the cliff, stretching 90 feet across. It is the second largest of its kind in the world and even the two plodding elephants in the frieze are carved life size. Seen by moonlight, the myriad figures at the top which represent heavenly beings, take on a mysterious almost magical quality, seeming to leap from the surface of the stone.

We were also recommended to visit the famous temples at Thirukalukundram. Hiring bicycles for Rs 5 (30p) per day, we braved the strong sun, and pedalled inland. Thirukalukundram is an impressive name, meaning—"Hill of the Sacred Eagle." Each day at noon on a hill-top temple, a golden bowl containing an offering of rice awaits the arrival of two white eagles with yellow crests. Hundreds of people climb the steps to watch the priests perform this 300-year-old ceremony.

The afternoon sun was still warm on our shoulders as we cycled back through endless green paddy fields, where we paused to gaze at turquoise kingfishers darting and flashing their gaudy plumage. A lean, bronzed figure in a loin-cloth was toiling by a large open well. His two cream-coated oxen hauled up a large metal tub from the well and then a lorry tyre inner-tube channelled the water into an irrigation gulley. As pumps and tractors are rare in southern India, it was an ingenious and efficient method.



Srirangam temple, Madras.

Although there are few cars and lorries, there are plenty of buses, and India's railway system is the largest in the world. But the bicycle is the most popular means of transport. On the road back, other bicycles wobbled past us, some conveying huge sacks of grain, and other almost impossible loads. We in our turn overtook creaking ox-carts, trundling along on huge wooden wheels, and alarmingly overladen with piles of straw or hay.

A medical man also travelling by bicycle, chatted with us in excellent English. Apart from the various local languages, English is widely used in southern India, often in preference to the national language, Hindi, which is more prevalent in the north.

He invited us to his home. By western standards it was pathetically poor, yet he belonged to the better-off classes in India. He told us he practised the traditional Ayurvedic medicine, which has a history of 3,000 years, and is still favoured by 70 per cent of the population. Several Ayurvedic herbal remedies are in fact being investigated by western doctors today.

The following day we took the bus to Kanchipuram, passing the sandy flood plains and lagoons of the River Pallar, in which herds of Buffalo lay submerged; only their eyes and nostrils betrayed their presence. Kanchipuram means, "City of a Thousand Temples." Delicate silks are made there for saris, much prized throughout India. It is one of India's Seven Sacred Cities, whose towers, called "Gopurams" can be seen from miles away. It was founded at the zenith of the Tamil Empire, whose sway extended as far as Bali and Singapore. Singa in Tamil means, "Lion" and "Pore" is short for "Puram" meaning "City".

Kanchipuram's oldest temple is dedicated to the Hindu God, Shiva, and dated from the 8th century. It is surrounded by carvings of terrifying, horned lions with bulging eyes, called Yalis, which are supposed to ward off evil spirits.

However, they failed to frighten off a flock of green and yellow parrots, who squawked and squabbled in the courtyard among the branches of the *Bilva (citrus)* tree.

All the temples in Kanchipuram admit non-Hindus, for Hindus are not only the most friendly people, but also one of the most tolerant in the world, and respect all religions. When we entered, prayers were being chanted, so we were asked to put on a dhoti instead of trousers, and remove our shirts and shoes. It was quite a pleasant experience, feeling the cool granite floor.

**TRAVEL INFORMATION**

**AIR INDIA** offer an excursion fare to Delhi or Bombay for £425.

**Unlimited travel by air anywhere in India for 15 days costs US$375.**

**Unlimited first class rail travel for 15 days costs US$100.**

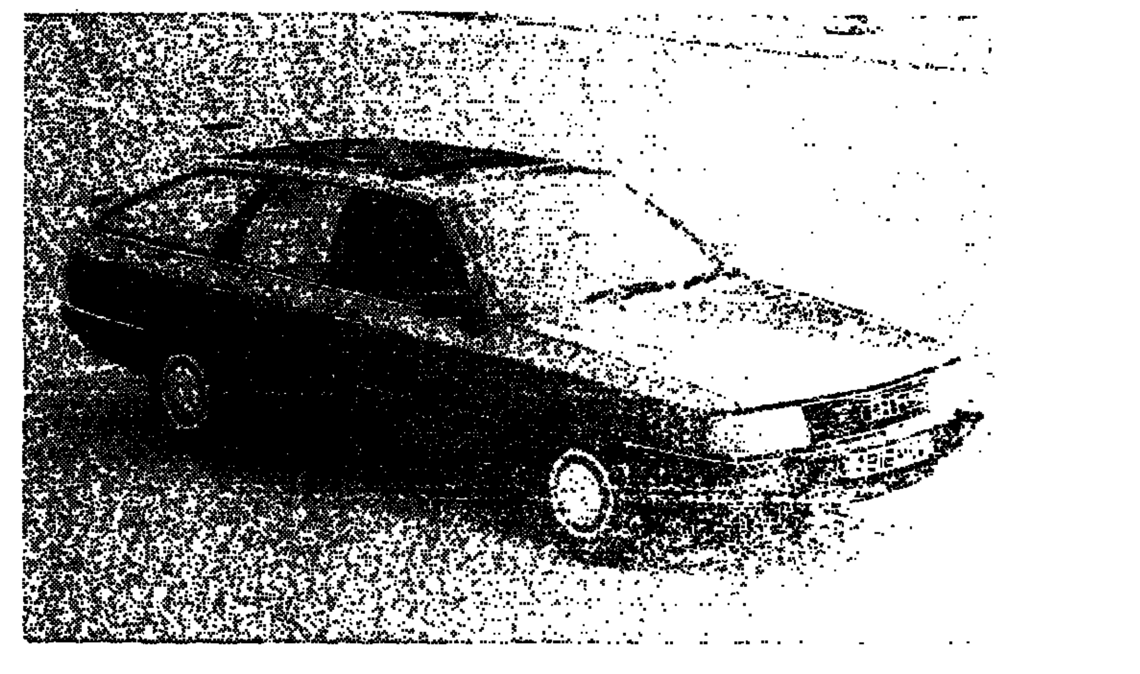
For free brochures, maps and expert advice, call the Government of India Tourist Office at 7, Cork Street, London W1X 2AB. Telephone 01-437 3677.

**GUIDE BOOKS:** Fodors 1983 Guide to India, price £8.50. India—A practical guide, by John Yeak, price £4.50. Come, India is Waiting—A useful pocket guide available free from Air India.

**N.B.** When travelling by train guard against theft and make sure all valuables are fully insured.

**INCLUSIVE TOURS:** Wings Ltd., 57/59 High Road, Broxbourne, Herts EN10 7HK. Tel: 0992 87666. Cox & Kings,

# When spray gets in your eyes



## MOTORING

STUART MARSHALL

BY THE END of this year, motorway driving in heavy rain should be safer and less unpleasant than it is now. Spray is the problem—and especially the spray created by multi-axled lorries thundering along at their legal 60 mph and often a good deal more. (Are their drivers ever prosecuted for speeding, I wonder, or do police only train their radars on motorists?)

Last week, Lord Lucas of Chilworth said in the House of Lords that a British Standard for lorry spray suppresion was due to be agreed in February and should begin to be implemented in a matter of months. New heavy vehicles, at least, should then have spray suppressing devices fitted and the rest of the nation's fleet will be dealt with in time. It cannot be *done overnight; there are more* than 300,000 lorries of 7½ tonnes gross weight and above in use.

What causes the spray? Simply the vast amounts of water a modern tyre's contact patch has to get rid of in heavy rain. A truck tyre may displace more than a gallon of water per second at 60 mph and the latest juggernauts have anything between 14 and 20 tyres. When 20 or more gallons of water are thrown in the air and whipped into spray each second by a 60 mph wind, overtaking a heavy truck can be a matter of dead reckoning. Wipers are overwhelmed and you can't see where you are going.

Various spray suppression systems have been tried. One uses long bristles to close the gap between tyre and wheel arch but the most practical idea seems to be Clear Pass. This uses a Monsanto product rather like Astroturf, the synthetic grass which is replacing the real thing on sports grounds.

The polyethylene blades of the Clear Pass flaps behind each wheel trap water that would bounce off normal mudflaps and return it to the road. It doesn't stop spray entirely but reduces it by about 70 per cent, which greatly improves visibility. This helps the lorry driver, who can see traffic coming from behind, as much as it does the overtaking motorist.

Might Clear Pass flaps be of help to motorists—especially estate car owners—on their own vehicles? Estates with squarer tail-ends than the slippery Audi Avant are notorious for sucking up road filth along with the spray. It coats tailgates and back windows. The rear wiper could be left on continuously, but prevention is surely better than cure.

Clear Pass kits for the Range Rover are available at £33.50 complete with fittings for all four wheels. Several police forces are already using them; so are fire brigades and ambulance services. Monsanto is not chasing the car accessory market at the moment; its concern is with the 300,000 over 7½-tonne trucks.

Another government move that could affect motorway visibility and safety is the planned introduction of "dim-dip" headlamps on all new cars from October 1986. This will prevent cars being driven on parking lights only. Turn the key and parking lights are automatically switched to dim-dip headlamps. The idea is to reduce dazzle in towns which the Department of Transport has been persuaded is a problem.

It seems a dotty move to me. I'm all in favour of preventing driving on parking lights—if dipped headlamps dazzle shouldn't they be realigned? Introducing a unique requirement can only bring trouble to the British motor industry which has problems enough. And it must confuse road users, drivers and pedestrians alike, by introducing yet another kind of light to look for in addition to parking lights (still used by far too many drivers) and proper headlamps.

The Department of Transport says drivers will have a choice between dim-dip lights and proper dipped headlamps and that the latter should continue to be used in fog. Of course they should. But won't the people who now drive in fog on parking lights be even more reluctant to put on proper dipped headlamps when they know they have dim-dip on anyway? In fog, a dim-dip car will be just as invisible in one's driving mirror as one with parking lights is today.

**IS THE Audi 100 Avant Europe's fastest estate car—or its largest hatchback? I am not quite sure. The sleek styling and flush windows create such effective aerodynamics that this 15 ft 9 in long five-seater is good for a little over 120 mph and, for a light-footed driver, returning 32-33 mpg.**

**The slanting tailgate keeps clean in wet weather but floor to-roof height i sonly 31 ins. and the load platform isn't quite flat. Loading a wardrobe mightn't be as easy as in, say, a square-ended Peugeot 505, Volvo 245 or Citroen Safari estate.**

**But it's a small point, really. As a mile-eating holdall for the executive and his family the Avant CD 2.2 litre with five-speed gearbox was marvellous on the motorway, surprisingly agile in narrow lanes. There is hardly any wind or mechanical noise but a lot of tyre rumble on coarse surfaces.**

**I have quarrelled before with Audi's choice of gearing; the 4+E gearbox is fine for economy on the motorway but demands an awful lot of shifting on lesser roads or in town. Not so the close ratio box on the CD.**

**The fuel-injected engine was so tolerant of low revolutions that it held fifth down to under 30 mph and accelerated smoothly away again. But at 70 mph the rev. counter shows well under 3,000 rpm and the Avant seems to be loping along at 100 mph.**

**The seats are firmly comfortable, the power steering quick and the lack of body roll on corners encourages fairly spirited driving. The *sloping back window with* aerodynamic spoiler makes reversing up a strange drive awkward, especially on a wet night.**

**The CD, with electric sunroof and windows, anti-lock brakes, self-levelling suspension and alloy wheels standard costs £12,714. Smaller-engined and less elaborately equipped versions start from £9,318.**

# Out of step

**BY RICHARD LAMBERT**

**Roche v Adams**
by Stanley Adams. Jonathan Cape, £8.95. 236 pages

Stanley Adams: a personal nightmare

Roche versus Adams is the story of a personal nightmare. In 1973, Stanley Adams, a rising executive in the Hoffman-La Roche pharmaceutical group, informed the EEC Commission in Brussels that his Swiss-based employer was using its pricing muscle to dominate the world market for bulk vitamins. This ran counter to the EEC rules on competition, to which Roche was bound by a Free Trade Agreement ratified in 1972.

For a while, nothing happened. Adams—born a British citizen in Malta—left Roche in apparently amicable fashion, and moved to Italy to set up his own business. Then in October 1974, the EEC's anti-trust directorate raided Roche's offices in Paris and Brussels, and Adams's world came crashing down.

On a visit to Switzerland he was arrested and charged with passing economic secrets to a foreign power. Shortly afterwards his wife committed suicide. Released from prison after three months he attempted to rebuild his life in Italy, but found that the sources of finance which had seemed freely available before his imprisonment had suddenly dried up. Roche was fined by the European Court of Justice for its price-fixing deals, but despite active support from the European Parliament the Commission refused to offer Adams anything but token compensation for his suffering. At the end of 1979 his mounting financial problems led to him being imprisoned in Italy for two months on a charge of fraud, and in 1981 he fled to England where — at the time of writing this book — he was living with his three daughters entirely on supplementary benefit.

"I was," Adams writes, "like a rat in a maze. Whichever alleyway I chose to run down, I was sure the door would shut at the end, leaving me trapped once more."

Yet although the book cries out for a sympathetic response, it leaves several questions unanswered. The most glaring concerns Adams's decision to disclose Roche's secrets in the first place, an event which is covered almost casually in just a few pages. Until that moment, he had been actively advancing Roche's interests around the world—including assignments in developing countries. He had personally negotiated a number of so called "fidelity contracts" without reporting any misgivings to his superiors. The explanation for his change of heart is not clear.

Not unnaturally, Adams sees the events that followed his disclosure in terms of a conspiracy. And he goes on to draw a series of conclusions about the behaviour of multinationals in general and drug companies in particular, and also about the character of the European Community.

But what are the general conclusions to be drawn from this story? Perhaps there are only two. One is that Roche is a powerful and in some respects ruthless company, which operates in a country where business secrecy has traditionally been seen as a legitimate interest of the state. The other is that the European Commission is a large and complicated bureaucracy, which like others of its type can be insensitive and even indifferent to the troubles of individual citizens.

As Adams himself admits in one of the saddest passages in the book:

"As far as the European Commission were concerned, I rapidly changed from being a valuable informer who was going to help them control the multinationals, to a diplomatic incident when I was imprisoned, to an embarrassment who had to be helped out of problems in Italy when the banks and agencies refused credit, to an irritant who still appeared to be unemployed and who was causing a stir in the European Parliament, to a downright nuisance who wouldn't accept the payment offered by them and wouldn't keep quiet about it either."

# Obeying her voices

**BY MALCOLM RUTHERFORD**

**Margaret Thatcher: A Personal and Political Biography**
by Russell Lewis. Routledge & Kegan Paul. £11.95. 240 pages

There is a view on the right wing of the Tory Party that Mrs Thatcher is really a "very ordinary woman." It has been recently expressed both by Mr Paul Johnson and Mr Peregrine Worsthorne. The facts belie it: how many women—how many people—have won one election after another? The language smacks of bourgeois snobbery.

Yet it is also striking that the best books about Mrs Thatcher are the least intellectually pretentious. Patricia Murray, the wife of a disc jockey, wrote a very good one simply by going along and listening to the people who knew the future Prime Minister in her earlier days. Mrs Thatcher said of her time at school:

"I really would have liked to have been an actress, but don't forget to me it represented a sort of glamorous life which was almost unknown."

Brian Walden, the television interviewer, is recorded in the same book as saying: "There is no-one in politics I would sooner trust than Margaret . . . She's the only Tory leader I've known who has grasped the fact that the Party image has changed and that today it's a people's party."

Carol Thatcher, the Prime Minister's daughter, also wrote a useful book about her mother's approach to the 1983 general election campaign. Its simple virtue lies in telling the story the way it probably was: for example, four cupboards for clothes, cupboard three being labelled "best telly clothes."

Russell Lewis, a journalist who has worked for the Conservative Party, ought to be capable of providing more perspective. In one way he does. The sections on Mrs Thatcher when she first entered Parliament in 1959, on her period as Secretary for State for Education and on early 1975, when she was going for the Party leadership, remind us of her quite remarkable determination and luck.

She was lucky in coming second in the ballot for private member's bills in 1959. She was stunning in dealing with Denis Healey and Harold Lever on finance matters in 1974. More people then should have realised her potential. Edward Heath did not.

Yet it is a big leap from there to saying, as Lewis does, that Mrs Thatcher's is "the Gaullist formula revisited—a sound economy and national pride restored—and it is unbeatable." This is an updating of his previous biography and the period 1979-83 is not much touched. It omits such factors as how far her survival has depended on a divided opposition and how far her mind might have changed while in office.

A good biography of Mrs Thatcher remains to be written, and judgment anyway has to be suspended until her term is complete. One test will be whether she feels capable of resigning before she has to, leaving the changed political ground for her successors to take over. That is one of the most interesting questions for the next few years.

## CHESS

**LEONARD BARDEN**

AT THE final London press conference following his defeat by Kasparov in the Acorn Computer world semi-finals, Viktor Korchnoi looked worn, dejected, old beyond his 52 years, and psychologically battered by the shock of defeat. But Korchnoi, orphaned and near-starved as a child in the wartime siege of Leningrad, has many times demonstrated his resilience and fast recovery rate from poor results. This month he has been in action at the traditional Hoogovens international at Wijk aan Zee, Holland, and you would never guess that the Kasparov match had happened.

Korchnoi took the lead from the start, first in company with Tony Miles then with the Soviet GM Belyavsky. At the last FIDE congress in Manila, England's delegate Ray Keene proposed "an end to all boycotts, particularly that of Korchnoi" which was carried by acclaim without USSR opposition. The Russians are now fulfilling their pledge to play in tournaments against their celebrated defector as part of the world title settlement.

However, news of the Korchnoi détente doesn't seem to have reached Moscow editors. Every year the journal Sovietsky Sport gives its readers daily reports from Wijk whenever USSR grandmasters are in action there. The stories are usually doctored to exclude the name of ex-Russian GM Sosonko who now plays for Holland, but otherwise the event is covered normally. This year, notably, Sovietsky Sport has so far been silent despite Belyavsky's good performance. The omission supports the view of a rift in the Moscow sports establishment following the abortive campaign to defeat FIDE officials over the world semis and consequent heavy hard currency reparations. One unconfirmed report is that deputy sports minister Ivonin, a central figure in the FIDE negotiations, has since been sacked.

Tony Miles's performance at Wijk makes it look as if the British number one may have a struggle to maintain his new super-GM rating of 2610 in the world top 20 elite. Miles dropped rating points with his debacle at the Accountancy Age Masters in London where he withdrew at half-way, while at Wijk he faded from a promising start and lost to both leaders Belyavsky and Korchnoi.

An early Miles win provided a rare game feature: has your opponent ever resigned when you castled? Evidently White made an oversight in calculation, and the outcome is the quickest decisive game of the Hoogovens tournament.

White: G. Ligterink (Netherlands).

Black: A. J. Miles (England).

Nimzovitsch Defence (Wijk aan Zee 1984).

1 P-K4, N-QB3.

Tim Harding analyses this rare defence in an excellent Batsford monograph. Miles read the book and paid it the supreme compliment of incorporating 1...N-QB3 in his repertoire. His declared policy is to use it in an early tournament round so that later opponents will waste time in their pre-game homework. Despite this flippant ideology, "Nimzo's other defence" is a resilient counter-attack against the many opponents who try to refute it by direct play.

2 N-KB3, P-Q3; 3 P-Q4, N-B3; 4 N-B3, B-N5; 5 B-QN5, P-QR3; 6 BxN ch, PxB; 7 P-KR3, B-R4; 8 Q-K2, P-K3; 9 P-KN4, B-N3; 10 B-N5.

A better idea is 10 N-R4, NxKP; 11 NxB, NxN; 12 Q-B4, RPxN; 13 QxBP ch and 14 QxN when White has the safer king.

10...B-K2; 11 O-O-O, P-R3; 12 B-B4, Q-N1!

A typical master strategem against queen's side castling, little known in amateur play and thus worth note. Black rapidly lines up queen and rook on the open file.

13 K-N1, Q-N5; 14 B-B1, R-QN1; 15 P-N3?

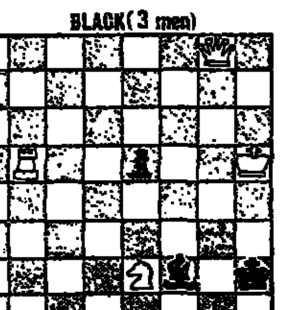
Planning to win the queen, White traps himself. 15 K-R1 is necessary though Black has the initiative.

15...QxN; 16 B-Q2, NxKP! 17 B-K1, O-O! 18 Resigns.

Only the White player could tell us what he overlooked. Whether he planned 18 K-B1 missing Q-R8 mate, 18 R-Q3 missing Q-B5, or 18 BxQ missing NxB ch, the outcome is the same—Black is a piece ahead.

**POSITION No. 500**

BLACK (3 men)



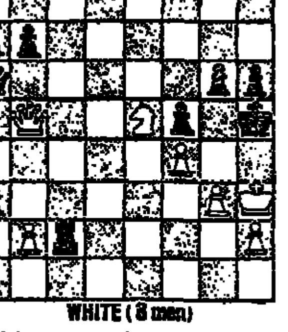
WHITE (4 men)

Dechkanov v Yusupov, USSR 1981. White (to play) was an unknown, Black a former junior world champion and a leading grandmaster. The GM is already rook for knight ahead and if White tries to avoid a queen swap then Q-KB8 ch forces mate.

So White, duly impressed, stopped the clocks and resigned. What did he overlook?

**PROBLEM No. 500**

BLACK (8 men)



WHITE (8 men)

White mates in three moves, against any defence (by A. W. Galitzky). One of those deceptive problems which sorts out the solvers—easy once you find the idea, a baffler if you don't.

Solutions Page 18

## BRIDGE

**E. P. C. COTTER**

IN BRIDGE, as in other walks of life, speed of decision and action is constantly demanded, but there are occasions when patience is vital to achieve the best result. There is food for thought in this hand:

N
♠ K 6
♡ A Q 5 3
◇ K 9 7
♣ K J 10 4

W
♠ A 9 4 2
♡ J 10 8
◇ Q J 4 3
♣ 6 5

E
♠ Q J 8 3
♡ K
◇ A 8 6 4 2
♣ 9 8 2

S
♠ 10 7 3
♡ 9 7 6 4 2
◇ 5
♣ A Q 7 3

North dealt at game all and bid one club, South replied with one heart, and North raised to three hearts. Many Souths would pass at this point—"only had 6 points, partner"—but this South was a goodish player, and because of his fit with his partner's suit carried on to four hearts, though he was quite prepared to find that the contract depended on a finesse.

West led the diamond Queen, which was allowed to win, and a second diamond was ruffed in hand. The declarer then played a heart and put up dummy's Ace, dropping East's King. He cashed the Queen, came to hand with a club, and played a spade. With the Ace favourably placed, the contract was made, and South started to deliver a discourse on the merits of safety play.

Though he played with intelligence, the declarer did not show the patience which this particular hand demanded. Trumps should not be touched until the spade situation is known. At trick three a spade should be led towards the table. West turns up with the Ace, and now it is correct to make the safety play of cashing the heart Ace in case East has the singleton King, because declarer can afford to lose one trump trick, but not two. If, on the other hand, East has the spade Ace, hearts must be played to lose no trick in the suit, that is, a 2-2 break with the King in West's hand must be assumed.

This old Olympic hand is an instructive example of patience before broaching trumps:

N
♠ A 8 6 3
♡ A 7
◇ Q 9
♣ K 8 5 4 2

W
♠ Q 5 4
♡ J 6 3
◇ 10 8 5 2
♣ Q 10 3

E
♠ 10
♡ 10 9 8 5 3
◇ A K 7 4 3
♣ J 9

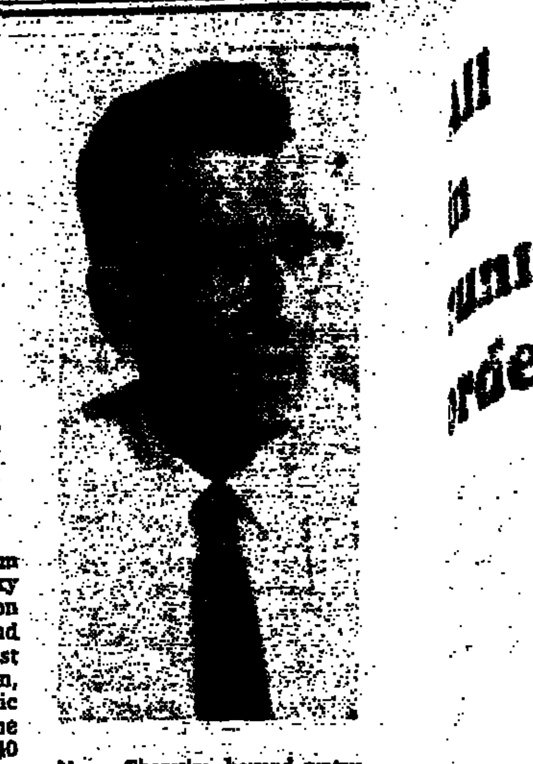
S
♠ K J 9 7 2
♡ K Q 4
◇ J 6
♣ A 7 6

South deals with both sides vulnerable and opens the bidding with one spade, to which North replies with two clubs. South rebids three clubs—many players would prefer two spades—North jumps to four spades, and all pass. West leads the diamond two, East cashes King and Ace, and returns the ten of hearts, won by dummy's Ace. What do you now suggest?

Having lost two diamonds and with an inescapable club loser, the declarer must play the trumps to lose no trick. His information about the opposing hands is as yet insufficient, so he must avoid playing trumps until he has learnt more about them. He continues, therefore, with two further rounds of hearts. When the Knave drops from West, an inferential count places him with seven red cards. We can reason further. West cannot have five clubs, or he would surely have led one, so it is safe to lead to dummy's King and return another club. If East ruffs, he is ruffing a loser. As it is, East follows, South wins and leads a third club. West wins, and now he is almost certainly marked with three trumps. South ruffs the diamond return, and cashes his King of spades. When East drops the ten, South leads another spade, finesses the eight, and the contract is delivered.

# Colourless green ideas sleep...

Competition Report by **Anthony Curtis**, Literary Editor



Noam Chomsky: beyond syntax

For the Literary Competition set on Christmas Eve you were asked to compose not more than 100 words of prose, or 14 lines of verse, in which a sentence described as grammatically acceptable but without meaning did, in the event, become meaningful. The sentence, devised by Noam Chomsky, was: *Colourless green ideas sleep furiously.*

This sentence fails, not because it violates any rules of syntax, but because the words selected deviate from the rules of selection obeyed by competent speakers of the language. As a contrast, Chomsky offers a well-formed sentence of the same syntactical shape, *Revolutionary new ideas appear infrequently* where the meaning is immediately apparent because the words selected do not deviate from these rules. With words that form our competition's kind of "deviant" sentence, "it is necessary," Chomsky says, "to impose an interpretation on them somehow—this being a task that varies in difficulty or challenge from case to case . . ." Competitors rose to this challenge good-humouredly and in force. The level was extremely high and I only wish I could give everyone a prize.

Such "deviant" strings of words are the stuff out of which imaginative writing is made, particularly in the modern period (Joyce, Eliot, Beckett). Dylan Thomas was addicted to them, for one. His poem, "The force that through the green fuse drives the flower/Drives my green age; that blasts the roots of trees/Is my destroyer"—is not perhaps quite so deviant as our sentence but seems to be expressing a similar notion.

At any rate, it was the thought of germination and flowering that produced the largest group of entries. The difficulty was to plant the words in context without strain or forcing. Mrs C. M. Street's contribution was a good example of how naturally this could be done:

*It can only be the thought of verdure to come, which prompts us in the autumn to buy these dormant white lumps of vegetable matter covered by a brown papery skin, and lovingly to plant them and care for them. It is a marvel to me that under this cover they are labouring unseen at such a rate within to give us the sudden awesome beauty of spring flowering bulbs.*

*While winter reigns the earth reposes but these colourless green ideas sleep furiously.*

Bryan O. Wright offered from Tokyo a verse treatment of the same line of thought:

*Behold the pent-up power of the winter tree;*
*Leafless it stands, in lifeless slumber.*
*Yet its very resting is revival and renewal:*
*Inside the dark gnarled world of trunk and roots,*
*Cradled in the chemistry of cell and sap.*
*Colourless green ideas sleep furiously*
*In deep and dedicated doormancy.*
*Concentrating, conserving, constructing:*
*Knowing, by some ancient quantum law*
*Of chlorophyll and sun*
*That come the sudden surge of spring,*
*Dreams become reality, and ideas action.*

Sue Papworth packed a similar thought into eight spare elegant lines; and John Rosselli brooded upon a metaphysical dreamscape where "night vision warrants us to call/Colourless green." Incidentally, dreams and psychiatrists' couches figured prominently in many entries, as did, less expectedly, staff common-rooms. Thomas Walsh wrote one of very few straight love poems.

Mr Wright was by no means the only competitor to see a link between colourless green ideas and action: Barbara J. Wells contributed a timely poem entitled "Terrorist Bomber 1984" part of which went:

*This lad would save the world but raze a city;*
*Lay waste all lands to buy perpetual peace.*
*Over mulled wine and hash he dreams a plan*
*To distribute the whole world's daily bread. . . .*
*And as the wine and marijuana mingle*
*Colourless green ideas sleep furiously.*

Just as passionately felt from Johannesburg was Peter Greenhalgh's entry, which ended:

*But what if science (saving an immoral act)*
*Could make us all the same, a neutral colour, say,*
*Like green, is there perhaps a chance sour grapes*
*Might leave our children's teeth without an edge — unless*
*These colourless green ideas sleep furiously too long?*

Meanwhile, Roy Kelly in his "Orwell That Ends Well" came even nearer home:

*White lies bleach Greenham's common Greenpeace fuss and enforce reason's sleep.*
*Beware my masters, colourless green ideas sleep furiously.*

On the theme of historical revolution, one of the most erudite tries came from the London School of Economics in the form of a "recently discovered sonnet by Alexander Blok, translated by Edward Black":

*Let us think on them, the Twelve Makers*
*Of myths, trailblazing quakers*
*Scourging earthshakers*
*Colourless green ideas sleep furiously*
*Before their chrysalides open curiously*
*Anarchy burgeons spuriously*
*Order raises new seedlings in the world*
*By word and gun upheld*
*The scarlet banner is unfurled.*
*The New Country appears.*
*Man loosens his fears*
*The New Dawn nears*
*Recollect our first fathers*
*The good society in momentum gathers.*

Several attempts came from those who made the Chomsky sentence turn on an exposition of how ideas are conceived and germinate in the mind. At least one contestant, Neil Marshman, gave ideas their full platonic force in an "Article from the Athenian Times (circa 340 BC)":

*Plato was rather naive, and a notoriously dull chap, whose philosophy of the Absolutes ("Ideas" as he called them) though generally out of favour at the moment, has the fervent support of some of the Academy's students, who are trying to revive them — much to the consternation of Plato's widow, who along with her late husband's own later beliefs, wants them to be forgotten as youthful foibles: but the furore won't die down — as indicated by this piece of cynical graffiti from the Academy's library: "Colourless green ideas sleep furiously."*

Mr Marshman had no monopoly of wit. There were puns, jokes, one-line gags in plenty. Edward J. Craddock of Earl's Court observed that: "It was the night before the Oxford Entrance examination. In the minds of the candidates colourless green ideas sleep furiously. . . ."

Some competitors tried chopping up the words of the sentence with the help of full stops and semi-colons. Others, like Richard Rickson, invented strange misbearings, as in his case, the Hampshire Athletics Championships, where "Colourless Grenadiers Leap For Eastleigh." Another aural gag was D. M. Peck's memory of his cervinologist uncle: "Only now have I resolved my childhood misapprehension to realise what he actually—albeit solecistically—said: that is, Collarless green-eyed deers leap furiously." Mrs K. E. Rowlands posited "A golf club professional called Sleep" who "exasperated the committee with his impractical suggestions." Next—but in this line P. H. Jackson's "Lines to a golf committee" had the longer swing:

*Fusarium and Corticium are often to be found*
*When moisture-laden patches lie on trodden ground.*
*The Greenkeeper knows that trouble will ensue,*
*If action is not taken to move the morning dew. . .*
*So he should get up early and take his flexy-whip,*
*To dehydrate the golfers' lawn swinging from the hip.*
*But some committees argue "Ancient practices aren't true:*
*That's a costly fable; hardly affecting the putting table."*
*Fungoid growth will then creep curiously,*
*Whilst colourless green ideas sleep furiously:*
*The damage can be quite extensive; chemical treatment most expensive.*
*Members should eschew such attempts — imposed by fear*
*—IT'S FALSE ECONOMY!*

Vivienne Goldblatt invoked Alice in Wonderland and Muriel Lamb Sherlock Holmes. Marcy Kahan came up with an exquisite Saki parody beginning: "Clovis returned from prep school with a green snake coiled around his arm . . ." but it was marred by making the punch-line singular (ideas it was not idea). L. E. Rowe's thriller-style "Syntax Haven" was a lovely cheat:

*I had found the book just as the batteries in my torch were failing. My thoughts ran wild. At the start there had been seven of us. Was that only a month ago? The stakes were getting higher.*

*The feeble glimmer hardly warranted shielding but I dare not risk discovery. I read the sentence again. "Colourless green ideas sleep furiously." Only this time he had not used the code.*

*I'd have to move fast and make it look like an accident. Then I'd be the only one left. A pity—I'd quite liked Chomsky.*

But enough of quoting, it is time to nominate the winner: a difficult task among so much pure gold (should I say, emerald?). The winner is D. A. H. Byatt of Hayward's Heath who receives £50 for the Miltonic poem below. Everyone else either quoted or mentioned in this report will receive a copy of *The Oxford Minidictionary of Quotations*, where I first found the famous non-sentence. Please allow a few weeks for delivery.

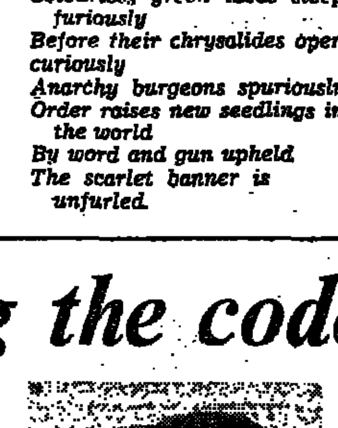
*Thus Adam's Eden-plot in far-off time:*
*Colour-rampant flowers, trees a myriad green;*
*Helped by God-bless'd wind and temp'rate clime,*
*The path to primate knowledge unforeseen.*
*He sleeps in peace at eve with Eve.*
*One apple later, he looks curiously*
*At the gardens of dichromates, in whom*
*Colourless green ideas sleep furiously*
*Then rage for birth each morning, until doom*
*Brings rainbows they at last perceive.*

D. A. H. Byatt

# Cracking the codes

**BY PETER HILTON**

**Alan Turing: The Enigma**
by Andrew Hodges. Burnett Books (Hutchinson). £18.00. 604 pages



Alan Turing: computer pioneer

It is a rare experience to meet an authentic genius. Those of us privileged to inhabit the world of scholarship are familiar with the intellectual stimulation furnished by talented colleagues. We can admire the ideas they share with us and are usually able to understand their source; we may even often believe that we could ourselves have created such concepts and originated such thoughts. However, the experience of sharing the intellectual life of a genius is entirely different: one realises oneself in the presence of an intelligence, of a sensitivity, of such profundity and originality that one is filled with wonder and excitement.

Alan Turing was such a genius; and those, like the reviewer, who had the astonishing and unexpected opportunity created by the strange exigencies of the Second World War, to be able to count Turing as colleague and friend, will never forget that experience, nor can we ever lose its immense benefit to us. Andrew Hodges, in this fine biography *Alan Turing: The Enigma*, brings Turing the thinker and Turing the man alive for the reader and thus allows us all to share in the privilege of knowing him.

Turing was a mathematician, a logician, a scientist, a philosopher—in short, a thinker. Inevitably it is not possible to convey to the general reader the full, rich flavour of his thought in all these varied domains, but the skilled expositor can with care explain the nature of the ideas without stooping to vulgarisation—this Hodges has most admirably done. Nevertheless, it is plain that the phase of Turing's creative life which will most appeal to the layman's curiosity must be that in which he was making a unique and absolutely fundamental contribution to the winning of world war two by developing and establishing the basic methods of deciphering enemy codes.

Much has been written in recent years of the astonishing success of what Churchill called "Britain's secret weapon," but this is the first book to do justice to Turing's part in that great story. Others of us shared the excitement of successful achievement: some, like the mathematician Max Newman, deserve great credit for providing the organisational framework—not to be confused with its antithesis of bureaucratic structure—essential to the full exploitation of that success; but Turing stood alone in his total comprehension of the nature of the problem and in devising its solution—essentially by inventing the computer.

Of course, these ideas did not arrive suddenly and fully formed in Turing's head in 1940. Before the war, in 1935, he had done fundamental work in mathematical logic and had invented a concept which has come to be known as a Turing machine. His purpose was to make precise the notion of a computable mathematical function, but he had, in fact, provided a blueprint for the most *basic principles of computer* design and for the foundations of computer science.

Unfortunately, the story of Turing's life is more of the stuff of tragedy than of triumph. Turing was a homosexual. He was, characteristically, wholly honest about this and was quite unashamed, though never ostentatious. But, after the war, the law against the expression of male homosexual love was upheld with rigorous fervour, and in January 1952 Turing, then a Reader at Manchester University and a Fellow of the Royal Society, was arrested and charged with committing "an act of gross indecency" with his friend, Arnold Murray. Of course, he didn't deny the charge, but he did not agree he had done anything wrong. He was bound over on condition that he submit to hormonal *treatment*. This was designed to diminish his libido; the only obvious effect was that he developed breasts. Turing was on probation till April 1953; and, as a byproduct of his plea of guilty, he was no longer permitted to work as a consultant to GCHQ, Cheltenham, nor to visit the United States. It is a tragic irony that our security services should have been mobilised to exclude Turing, whose contribution to the work of GCHQ was of such inestimable value, but should have failed so conspicuously to detect the activities of the mole Geoffrey Prime. Dr I. J. Good, a wartime colleague and friend, has so aptly remarked that it is fortunate that the authorities did not know during the war that Turing was a homosexual; otherwise, we might have lost the war.

On June 7, Whit Monday, 1954, just short of his 42nd birthday, Turing committed suicide by swallowing cyanide. He left no note and it is generally supposed that, in the words of his friend and executor, Nick Furlong, "he planned for the possibility, but in the end acted impulsively." Hodges has told the whole story of Turing's life and death with honesty and candour and a fine sense of balance. We are in his debt for bringing us closer to a marvellous person and for chastening our intolerant society.

*Peter Hilton is Distinguished Professor of Mathematics at the State University of New York at Binghamton.*

# Crimes

**BY BRIAN AGER**

**Heroes No More**
by John Wainwright. Macmillan, £6.95. 192 pages

**Murder Post-Dated**
by Ellis Peters. Macmillan, £6.50, 192 pages

The three survivors from a World War II Lancaster bomber ditching gather in Lancashire's best hotel for their 40th annual reunion.

This motley remnant of a crew are joined by their wives and the book starts in a leisurely, relaxed way. It might almost be tourist publicity for Lytham St Annes.

But tension builds as doubts arise about how one of the men earns his living and this leads to a death-dealing climax.

Another masterly book from the Wainwright pen.

*The Devil's Novice* is the eighth chronicle of Brother Cadfael—but Ellis Peters' latest detective tale retains the freshness of the first. Cadfael, a worldly-wise Benedictine monk in 12th-century Shrewsbury, puts his alert brain to work on investigating a violent crime.

هكذا من الأصل



# All in running order

Typical of the sort of easy, warm and colourful leisurewear that is becoming increasingly popular for ordinary, everday activities is this tracksuit by Footing. In soft raspberry, trimmed with yellow, it is made from 100 per cent cotton and comes in three sizes, small, medium and large. It costs £38 and is available from The Body Shop, 65 Kings Road London SW3; County Sporting, Bexhill-on-Sea; and Rivets, 33 Grove Street, Eastbourne.

AS MORE and more of the population takes up some form of exercise, whether it be new-fangled ones like aerobics and jogging or old-fashioned ones like squash or swimming, so increasingly, companies with an eye to the main chance are moving into the sportswear market.

In fact so much has this market expanded over the past few years that in February it will be having its very own exhibition called "Active Sports Fashion" where at London's Kensington Exhibition Centre something like 60 companies will be showing just what the up-to-date jogger, swimmer or dancer should be wearing.

It is hoped that the new exhibition will take place twice a year from now on, linking with the London Midseason collections, so that the sportswear manufacturers who traditionally have shown their wares to the sportswear buyers can show them to the fashion retailers at one and the same time. As the boundaries between what is sportswear and what is fashion blur, sportswear manufacturers will need increasingly to sell into ordinary fashion stores.

Many of the companies involved in the show have already reported spectacular increases in sales. For instance, Head, one of the better-known companies, reports that though its autumn and winter sales this year increased by 100 per cent over last season's sales, this is way behind the coming summer sales which already show an increase of some 300 per cent.

While much of the companies' clothing is directed at specific sports there is also a growing fashion for leisurewear that is worn as ordinary, relaxing gear around the house. Many people have found that tracksuits, for instance, make much more comfortable and practical about-the-house wear than those dated "at home" garments that fashion houses used to promote for such purposes.

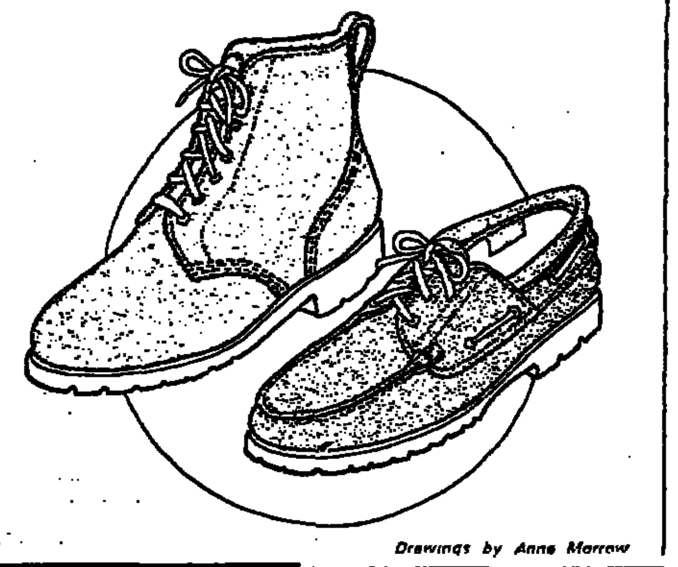
# Sporting chic

HOLLAND & HOLLAND of 33 Bruton Street, London W1 is one of those old-fashioned, traditional shops that has been providing sporting equipment to country gentlemen for over 150 years. Though the shooting brigade will be well aware of the shop those of us who have never had occasion to lift a gun may not realise quite how generally useful much of the merchandise is.

Anyone looking for sturdy shoes for walking, will find that Holland & Holland has an exclusive range of desert boots (see sketch below left). In sand suede with a tan Vibram pleated sole (to give a sturdy, non-slip surface) they come in a wide range of sizes at £29.95 a pair. Sketched below right is another very sturdy walking shoe from the famous Timberland range, these come in sizes 5-8 (women) and 7-11 (men) and cost £54.95 a pair.

Finally, it is some years since women first began to realise that the canvas bags used for generations by the sporting set had a chic all their own. First they purloined those canvas and net bags beloved of those who fish, now it is the turn of the cartridge and game bags of the shooting set.

Sketched above is a large (18 inch high) canvas carry-all with sturdy handles for £19.95. In the middle is a canvas game bag with heavy duty net for £32.20 and finally in front is a small cartridge bag—in canvas it is £22, in hide, £49.95.



Drawings by Anne Morrow

# Polishing up the image

FOR most of us the image conjured up when we think of stainless steel is far removed from anything as rich, as lustrous as the pieces photographed below. We have been accustomed to the rather austere offerings of designers like the Dane, Arne Jacobsen, and to the cheap, unattractive cutlery and tableware so often found in canteens.

The Japanese company, Yamazaki, felt that there was much more that could be done with the material if only they could put the right designers onto it. Their instinct told them that there was an unfulfilled demand for tableware that had all the richness and lustre of silver but that was less expensive to buy and less arduous to look after. Stainless steel, worked in a new and exciting way, they felt must be the answer.

Yamazaki began by commissioning patterns for cutlery from five designers—three Danes, an American, and an Englishman, Robert Welch, one of our best-known silverware designers. The cutlery was such an immediate success and took off so fast that it was decided that all five designers should be asked to submit drawings for a range of serving vessels, the best of which would be manufactured.

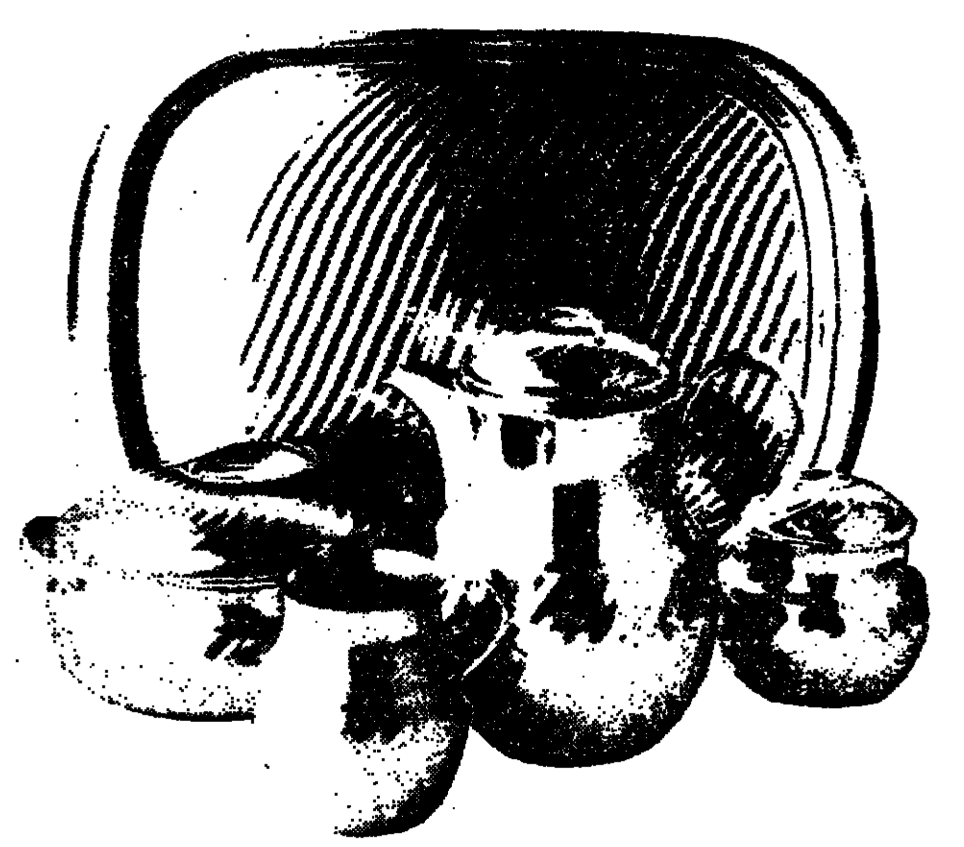
The company wanted the collection of vessels to be highly polished, looking rather like silver so that they could take the place of traditional silver and silver-plate on the dinner table. Yet the vessels had also to have a modern feeling for the company believed the main market for this sort of ware lay with people aged between 20 and 40.

Robert Welch's designs won the day and he set about producing detailed drawings of a range of stainless vessels that fulfilled these criteria admirably. The stainless steel looks so highly-polished it seems to shimmer. The design is distinctly modern in feeling yet has none of the aridity often associated with this metal.

Though most of the vessels in the collection serve much the same purpose as traditional silver or silverplate, everything can be put in the dish-washer and none of it needs polishing.

There are some 13 pieces in the complete collection—a coffee pot, a tea pot, a creamer, a sugar bowl, a jug, an ice bowl, a vegetable dish, small bowl, salad bowl and four trays. They are just beginning to go into the shops now. Prices are extremely reasonable, starting at £7.95 for a small individual bowl and going up to £79.95 for the most expensive item an ice bucket cum soup tureen. In between are the coffee pot at £49.95, the tea pot at £47.50 and the largest tray at £32.50

The whole collection is being imported by Courtier of Endeavour Way, Durnsford Road, London SW19 to whom readers should direct enquiries if they can't find a local stockist. For the moment it is in all 20 special Courtier departments, Harrods, Knightsbridge, SW1, has it on sale.



STUDYING the seed catalogues is the nearest I get to gardening at this time of year.

I have often observed my neighbour's broad beans pushing up through the earth before I have even cleared my own vegetable plot of weeds and prepared it for sowing. And yet, while the sight of my neighbour's beans, spurs me into action my beans seem to reach the table only five or six days later than his. So in the end I do far less work in less disagreeable weather conditions for very similar results!

Now that the shops are full of the most wonderful varieties of fruit and vegetables, I am beginning to wonder about growing my own at all: the competition between the seed catalogues and the greengrocers is becoming very fierce.

Holland supplies a large number of the vegetables which were once rarely seen here and are now readily available; for example, red, yellow and green peppers, succulent roots of fennel, Chinese leaves, kohlrabi, celeriac, chicory, hot peppers, okra, sweet potatoes, Jerusalem artichokes and endive.

How many of them do you actually use? Of course, a number of the vegetables are, by now, quite familiar to us and we know how best to use them. But what of the rest?

Happily I am no longer perplexed by these matters because I have come across a slim volume called **Cooking With Unusual Food** by Kathie Webber (Sedgwick and Jackson £6.95). In it I have found the answers to many of my questions and a number of delicious recipes. I love chilli-hot sauces and dishes and here is one very much to my taste.

COOKERY

## Vegetables with a difference


By JULIE HAMILTON

### SENEGALESE PEPPER SAUCE

**6 red (green ones work too) chilli peppers; 1 small onion; ½ teaspoon ground ginger; salt to taste; oil**

Remove the stalks and seeds from the peppers and coarsely chop them. Skin and roughly chop the onion. Using a pestle and mortar, pound them together to a paste, then season with the ginger and salt to taste. Store in a screwtop jar with a film of oil poured over the top. Replace the oil after each use and this sauce should keep indefinitely.

Use the sauce as you would chutney or tomato ketchup, only much more sparingly. It is also excellent with rice dishes and pasta.

### GREEN PEPPER SOUP
serves 4

Green pepper soup is new to me and it needs a really good chicken stock to become quite special.

**4 large green peppers; 1 large onion; 1 clove of garlic; 1½ tablespoons olive oil; 1½ pints good strong chicken stock; salt, pepper and a little sugar; 4 tablespoons single cream; chopped parsley**

Slice the seeded peppers into strips. Skin and roughly chop the onion and garlic. Heat the oil in a large pan; fry the onion and garlic gently for a few minutes. Add the stock, plenty of salt and pepper and a pinch of sugar and bring to the boil.

Cover the pan, reduce the heat and simmer for about 20 minutes. Blend the soup in a liquidiser or push it through a sieve. Return to pan and gently re-heat, adjust seasoning and add the cream. Do not boil again. This soup is equally as good served chilled. Garnish with the chopped parsley.

### MY VERSION OF FENNEL à la GRECQUE
serves 4 to 6

Fennel served with fish is obvious and delicious but it is also wonderful with ham, by itself or à la Grecque as part of an hors d'oeuvres.

**3 or 4 heads of fennel; ½ pint white wine; ½ pint water; 6 tablespoons olive oil; 2 tablespoons lemon juice; ½ teaspoon coriander seeds; ½ teaspoon green peppercorns; 1 bay leaf; a few sprigs of parsley; 1 stick of celery finely chopped; 2 cloves; ½ teaspoon sugar; salt.**

Trim and quarter the fennel. Heat the oil and add the coriander seeds. A few seconds later add the bay leaf, parsley, celery, cloves and peppercorns. Cook for a minute then add the fennel, lemon juice, wine and water. Bring to the boil, add the salt and sugar and cook, covered, slowly for about 30 to 40 minutes.

Remove the fennel to a serving dish and reduce the liquid by at least a half before straining it over the fennel and chilling.

The same recipe and method work very well with Jerusalem artichokes which are one of my favourite vegetables. I love to serve them as a one-dish main course as follows.

### BEEF AND ARTICHOKES
serves 4

**1½ lbs chuck steak; 1 lb Jerusalem artichokes; 6 tablespoons red wine; generous sprinkling of allspice, cinnamon, black pepper, salt, sugar; ½ tablespoon coriander; ½ teaspoon cumin seed; 4 cloves garlic; 1 tablespoon oil.**

Cube the meat into fairly large chunks and put it in a bowl. Sprinkle with all the seasoning and spices except the coriander and cumin. Chop two of the cloves of garlic and add them. Pour the wine over, mix well, cover and leave to stand for not less than four hours, preferably for 24 hours.

Blanch and then peel the artichokes, cut them roughly in half. Heat the oil and fry the remaining garlic with the cumin and coriander. When the garlic is golden brown, strain and add the beef (retaining the marinade). When the beef is sealed, tip it into an earthenware casserole, add the artichokes and marinade, cover and simmer for about an hour, or more if necessary. Serve on a bed of rice, or on its own with French bread.

### OKRA and PASTA
serves 2

Using any short cut pasta, this makes an unusual supper dish.

**¾ lb okra; ½ lb pasta such as penne; 2 tablespoons tomato puree; 4 cloves of garlic coarsely chopped; 2 tablespoons oil; 1 tablespoon wine vinegar; 1 teaspoon black mustard seed; 2 or 3 tablespoons good strong stock; salt and pepper.**

Parboil the okra and refresh under cold water. Heat the oil and fry the mustard seed and garlic until the garlic is well coloured. Then add the okra, tomato purée, vinegar and a little of the stock, just enough to moisten thoroughly. Simmer until the okra are tender, taste and adjust seasoning, adding more stock if too dry. Cook the pasta and combine it with the okra. Serve at once.

### KOHLRABI

This vegetable is a brassica and its nearest relative is the turnip. It is delicious raw when really young, grated into a salad of Chinese leaves and dressed with lemon juice and sugar, French mustard and dill weed.

Another way to serve kohlrabi is stuffed. To do this, peel and parboil first, then scoop out the middles. Make up a meat stuffing of your choice, fill the kohlrabis and arrange them in a buttered dish, pour in stock to come halfway up each vegetable, cover with foil and bake until they are tender. Use the juice in the dish to make a white sauce to pour over when serving.

## POSTSCRIPT

READERS who sent off for details of bedlinen made by Peter Reed Textiles, mentioned last week, might like to know they can find good selections in major department stores. In London there is Harrods, Peter Jones, Harvey Nichols and the John Lewis partnership stores; out of London, the John Lewis partnership stores, Jenners of Edinburgh, Fenwick of Newcastle and Woods of Harrogate.

# Cook's justice

## RADIO

B. A. YOUNG

Roger Cook is back at his Cook's Point on Radio 4, investigating real criminal offences for the amusement of the listeners. I have much admiration for Mr Cook, who is tireless and brave. One Tuesday he told us about Mr (he gave the name, but I'm not as brave as he), a leasing broker with a way of forging farmers' contracts for machinery that brought him a packet of wealth but left the farmers facing bankruptcy.

This one wasn't a difficult pursuit compared with some he's made, since he knew where to find the broker's office and actually encountered two of his partners, who I must say didn't show up very admirably. We ended with the statutory telephone conversation ("It is not the policy of this company to make any comment," said the broker with a persistent lack of imagination). When this was done, Mr Cook hinted that things should be taken further. And so they should: but why not long before, when the facts first came out? Why make a *That's Life* of it all?

I don't understand whether the object of this programme is justice or entertainment. Put it on television, of course, and there would be cheques flowing in to the sufferers at once, but on radio things aren't like that.

Frederick Bradnum's *A Small Speck of Evil* on Radio 3 was as near a radio-nasty as they come. I suppose, an account of Guy de Maupassant's madness and death as recorded by his valet François Tassart. The eponymous evil was syphilis, which he contracted at the age of 26 and lived with until his end at 41. Tassart has noted all the mad illusions and Mr Bradnum has furnished them with dialogue to make them cohesive, if not coherent. There was the lady in a grey dress and nothing underneath, a recollection of Gisèle, one of the 3,000 women he claimed to have had ("three a day in my prime!") There was Swinburne with pornographic pictures and a "skinned hand." All his money began to turn into piss; he shot at his mother and his doctor because he took them to be publishers.

It was a terrible story, brought to grisly life by Michael Elphick as Maupassant, with Sean Barrett as his fawning servant. John Theocharis directed, with "special sound" by Jonathan Gibbs, the special quality of which I failed to discern.

Radio 3 turned to madness again later in the week, with a sad little reminiscence of the therapeutic community of Withymead, where the Champernownes tried to replace the then current dictatorial treatment of the mentally disturbed with kindness, reassurance and sympathy. Dr Anthony Stevens made the tale of this pioneering home sound wistful.

There was a similar tone about *Tuesday Call* on Radio 4, which dealt with the treatment of the mentally ill. Sue McGregor, queen of Woman's Hour, combined with Philippa Russell of the National Children's Bureau and Brian Rix of MENCAP to offer help to the parents and the guardians of children and others in need of help. Radio 4 is generous in its attention to people with handicaps; a Radio 4 groupie I know says that it's turning everyone into hypochondriacs.

I think that's going too far; but during the week there were *Medicine Now* and *Does He Take Sugar?* on Saturday, *Born Free* on Sunday, *Tuesday Call* and *In Touch* and indeed another *Medicine Now* on Tuesday. It would be going too far to tell Radio 4 groupies to try another channel if they don't like these programmes. Perhaps instead of becoming hypochondriacs they might turn into practical sympathisers.

Don't care for this week's Monday Play, *The Orange Earth*, by Adam Small. I am as indignant as anyone about Cape-coloured who have to "go round the back"; but I didn't think Johnny's case was well presented. He was a terrorist bomber who had killed a girl, which, to my mind, nothing can justify. Moreover, though we heard a little about Johnny's mother, "a Muslim girl," his father is presented as a hero, though he must have known when he married that his children would be classed as Coloured. Yes, yes, that is outrageous, but he knew it would happen. Yvonne Bryceland as Johnny's wife, conducting impossibly long arguments with the trial judge, and Tony Osoba as Johnny were splendid.

Current check on time-stuffers: Radio 4 is back with *My Word!*, a cross between a general knowledge paper and a guessing game, finishing each week with two long-drawn-out bad puns by Muir and Norden. Radio 3, which has shown itself pretty rocky with its short items, is doing all right with Thackeray's *Book of Snobs*, an exact Victorian equivalent of *Private Eye's Great Bores of Today*. But next month we shall have more of *Barnes's People*, as brilliantly cast as the last lot.

# Drama of the awards

## Michael Coveney assesses a week of theatrical prizegiving

This has been the week of London's theatre awards. Last Sunday the Society of West End Theatre, SWET, handed out 21 bronze statuettes designed by Tom Merrifield to a nude likeness of the actress Lynn Farleigh. On Tuesday, another gathering of the thespian clans at the Savoy Hotel for the Standard Drama Awards applauded the seven recipients of Frank Dobson's coveted bronze figures. I am told by several actors and playwrights that these weighty tributes to theatrical achievement come in handy as book-ends and door-stops.

But what purpose do these awards serve, beyond the obvious ritual opportunity afforded for large-scale displays of backstage back-slapping? The SWET awards are preceded in November by the announcement of nominations in all categories, and from that moment the classified listings and newspaper advertising were awash with news of them.

Television coverage is endemic to the exercise and, this year, disaster struck. For SWET had their televised ceremony booked for December 4 in the middle, as it turned out, of the BBC strike of outside broadcasting technicans. SWET rearranged the event for last Sunday and thereby put paid to immediate transmission this week by Thames Television of the Standard binge.

SWET's president Bob Swash was duly and sincerely apologetic to the Standard. But he insists that Monday night's transmission date was the first made available to him by the BBC and SWET owes its sponsor, the English Tourist Board, the TV coverage. The BBC paid about £30,000 for the programme, an amount to match that paid by the Tourist Board to SWET.

Monday night's programme from the Theatre Royal, Drury Lane, was better on the box than in reality. The cabaret—the National Theatre of Brent, Bertice Reading, Wayne Sleep—was passable. But none of the recipients or award-givers said anything interesting, with the shining exception of Denis Lawson, who picked up an award for his performance in *Mr Cinders*.

Mr Swash paid tribute to the public who support the theatre, and it is a feature of the SWET awards that members of the public serve on the judging panels alongside such media celebrities as Melvyn Bragg and Roy Plomley.

In sharp contrast, Standard prize-givers and recipients said *many interesting, even moving, things.* This may be because they know in advance of their good fortune. But the Standard also matches giver and receiver very well. Thus Janet Suzman, giving an award to Athol Fugard, her South African compatriot, knew what to say about him; and Sir John Gielgud made some wittily apposite remarks about the achievement of Derek Jacobi, who received an award for four major performances last year, including two in roles special to Sir John, Benedick and Prospero.

In honouring Fugard and the Soviet director Yuri Lyubimov (*for Crime and Punishment*), the Standard's list of prize-winners had a welcome international flavour. The newspaper's awards are decided by a panel gathered in the private room of a Soho restaurant and, having served on it myself in the past, I can assure you it is a thumpingly spirited, no holds barred, enjoyable occasion. But the end result is a serious, balanced, usually undeniably appropriate list.

Over 29 years, the Standard awards have, with uncanny prescience and precision, reflected the major movements in the modern theatre. Edward Bond has never won a prize, and the 1964 panel overlooked the claims of Joe Orton as Most Promising Playwright for *Entertaining Mr Sloane*. But right from the beginning in 1955, Beckett, Osborne, Pinter, Stoppard, David Hare and Christopher Hampton, and all our leading actors and directors, have been acknowledged.

The SWET awards are only eight years old. The initial idea was to win some recognition for the commercial sector, as the Standard awards, and those of the magazine Plays and Players (which conducts a fascinating poll in each January issue among 20 London critics), tend to favour the subsidised and highbrow end of the West End market.

In fact, only one of this year's SWET awards went to a play originated in the commercial sector, Hugh Whitemore's *Pack of Lies*. SWET gave three awards to the RSC's *Cyrano de Bergerac* and two to the National's *Glengarry Glen Ross*. I think this is regrettable. It does nothing for the commercial sector—*which has been uncharacteristically busy this last year*—and misses an opportunity to promote private enterprise in a sphere desperate to encourage *investment*.

Louis Benjamin, head of the Stoll Moss group which operates a quarter of London's main houses, was scathingly critical of *SWET's Drury Lane show*. He would like to see one annual awards ceremony given the style and authority of Broadway's Tony Awards. But why should *the Standard co-operate with* SWET, or anyone else, having pioneered the London awards system as part of their generous daily coverage of the arts?

Another leading impresario, Michael Codron, has always been hostile to the SWET awards and considers the much-voiced SWET objection to the Standard's list as being "elitist" totally absurd. The democratic voting system of the SWET awards is, in his view, a chimera yielding awards repetitive of and superfluous to, the Standard's. "And anyway" says Codron, "the Standard orders these things better than *does SWET.*"

Bob Swash defends the SWET beano as primarily a means of promoting the theatre through the television coverage. And if Anna Ford in a stunning shoulder-less black dress reading trite clichés off an autocue like a programmed zombie brings more customers into the West End, all well and good.

But it was at the Standard lunch that the genuine heart, zeal and passion for the theatre could be sensed, even in such obviously histrionic circumstances. John Mortimer presented an award to Phil Young, deviser and director of a show, *Crystal Clear*, which transferred to the West End from an Islington pub. In the presence of the Duchess of Kent, a Soviet director in exile, a playwright who knows the true vile meaning of apartheid and several hundred acquiescent artists, Mortimer said:

"Politicians live on hostility, artists on our common humanity. Any money spent on the arts is better spent than all the money spent on the machines of obliteration."

It is the sort of remark usually edited out of the TV highlights. This year we shall have to wait and see until February 20.

Derek Jacobi in The Tempest

# Sounds of France

## RECORDS

DAVID MURRAY

More and more of the French repertoire between Franck and Boulez—and below Debussy and Ravel—is becoming available on record these days. Ronald Crichton discussed here, day before yesterday, the latest operatic examples from Offenbach and Charpentier to Roussel and Hahn; the new instrumental offerings make a tempting spread too.

In reverse chronological order, we have first Georges Auric, who died last year at 84. His career stretched from early identification among "les Six" through ambiguous fame as a film-composer to a spell as opera-administrator; his later serious music, much tougher than you might guess from his waltz-song for *Moulin Rouge*, goes unheard. A new Adès record (14018, from Studio Import and Export) makes restitution with a mixed bag: a 1938 Trio for woodwinds, a much later pair of extended two-piano pieces, and four songs from the years between.

The perky neo-classical Trio is delivered with unvarying energy; the attractive songs feature not only Jane Berbié, but a fine lyrical baritone, Michel Piquemal. An Eluard song has the tenderness and candour of Poulenc's Eluard settings, if not their exact expression. Most interesting are the two-piano works, which postdate *Auric's cautious* experiments with serialism: brittle, sharply calculated and brilliantly played by Geneviève Joy and Christian Ivaldi, the *Partita* runs from a freshly argued first movement to a cheerful recreation of the "les Six" mood, and *Doubles Jeux* is an exercise in icily flashing textures.

When Auric aimed to be serious, he was aggressive and prickly about it. Alone among the Six, Francis Poulenc maintained a shameless delight in being appealing — something which he did best in short bursts. The 1949 Piano Concerto (devised for an American tour) is among his few extended non-theatrical concert-size pieces. It falls somewhere between the masterly comic-contrasts technique of the Double Concerto and the frankly jerry-built Sinfonietta: it is appealing, and the construction is decently smooth. The new EMI version (ASD 1077851) boasts solidly stylish playing by Cécile Ousset, whose repeated notes in the first tune—precisely pointed—at once show how much better the Poulenc idiom is understood here than in the Cristina Ortiz version.

Given that over-riding virtue, it doesn't matter at all that Mlle Ousset adds a few "personal" touches to the more wistful music: she captures Poulenc's diction, and therewith his tone of voice, most faithfully, and the music blossoms. The Bournemouth Symphony under Rudolf Barshai is correctly sober but alert (the first-desk winds are variable, and a sharper kick in the dance-rhythms wouldn't have hurt). On the other side there is a Prokofiev Third Concerto of resplendent clarity and judicious weight. Moderate tempi, imposing power, nothing demonic, no edge of extra-musical hysteria, but total commitment to what the music actually contains. These performances set a special standard.

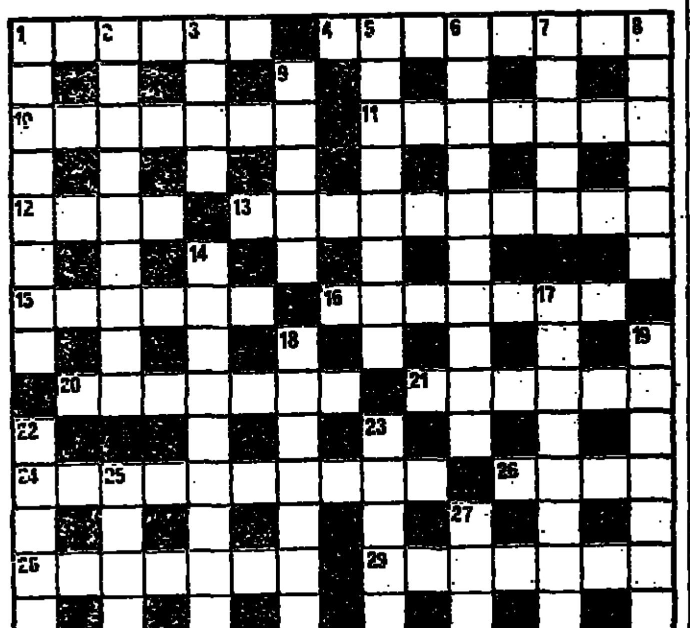
Another EMI release gives us fresh music by dear old Charles Koechlin, disciple of Fauré and teacher of Poulenc and Milhaud, devotee of *The Jungle Books* and of stars of the silver screen. His *Seven Stars Symphony* (ASD 1731391) is less a symphony than a grand suite, celebrating in turn Fairbanks, Lillian Harvey, Garbo, Bow, Dietrich, Emil Jannings and Chaplin (*the latter gets a whole impressive variation-set*). Lucky readers whose attention has already been captured by *Les Bandar-Log* or by Radio 3's fitful excursions into Koechlin's chamber music will need no further encouragement; newcomers can be assured that his level of invention is wonderfully, consistently quirky, though low-profiled, and that it is supported by an original genre of radiant harmony. The record is filled up by his piano-and-orchestra *Ballade* op 50, intimate ruminations that may be too gentle for public effect but carry beautifully on the gramophone.

## Theatre writing grants given

The Arts Council has approved theatre writing bursaries of £2,000 each to Tony Coult, 36, and James Robson, 30.

Mr Coult, who has been involved with Theatre-in-Education and currently lives in Peterborough, is to write a play about prisoner-of-war camps in East Anglia. Mr Robson, a Yorkshireman who has written extensively for radio and television, is to write a play about the demise of rural England and the decline of the nuclear family.

## F.T. CROSSWORD PUZZLE No. 5,328



*A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.*

Name ..........

Address ..........

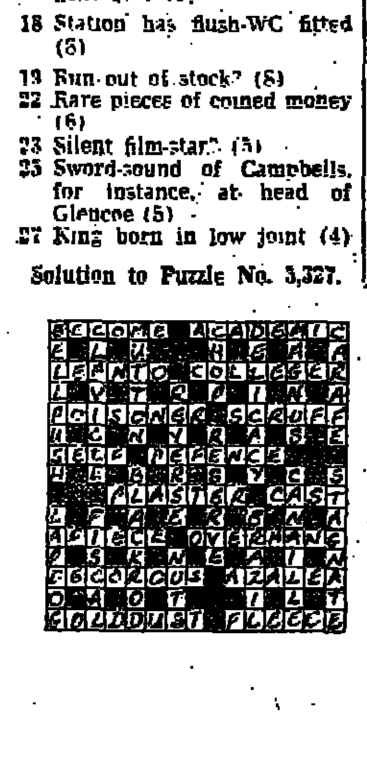
**ACROSS**

1 Wine for a poet (6)
4 Settles and sets type (8)
10 Go miles out of the way for porcelain (7)
11 Our descent of track takes a long time (7)
12 Exclamation of surprise from first couples in Somerset House (4)
13 Fitting lamp so X-ray is produced (10)
15 Flavors' union go out in extremes of enmity (6)
16 Function of hospital at London borough? (7)
20 Retirement—can you beat it? (7)
21 Take the Queen's shilling in silent reform (6)
24 Imagine that having no opening in a Gainsborough! (7-3)
26 Nervous cough taken up by dressmaker (4)
28 Gamble fifty in eastern church (7)
29 Penny-in-slot opening for snapper? (7)
30 With which curate ate best parts? (5-3)
31 He can fly a kite unaided (6)

**DOWN**

1 In this footwear, he's after spectacular goals (8)
2 Form of "shalom" to employ gives poor relief . . . (4-5)
3 . . . unit of work comes to nothing, therefore (4)
5 Spectator seeing no cuts, cover-drives etc? (8)
6 Pay at 14p a sonnet? (3-1-4)
7 Host crawled, perhaps, round river (5)
8 Removes Iago's trash? (6)
9 A piece of lamb, say (5)
14 Meet for a drink? Just the reverse (7-3)
17 Huge robin, hopping, lives next door (9)
18 Station has flush-WC fitted (8)
19 Run out of stock? (8)
22 Rare pieces of coined money (6)
23 Silent film-star? (5)
25 Sword-sound of Campbells, for instance, at head of Glencoe (5)
27 King born in low joint (4)

Solution to Puzzle No. 5,327.



SOLUTION AND WINNERS OF PUZZLE NO. 5,322

Mrs D. Percy, 36 Orton Road, Leicester.

Mrs V. Cleaver, 4 Machrie Place, Kilwinning, Ayrshire.

Dr John Aldred, 90 Pembroke Road, Bristol.

†Indicates programme in black and white

## BBC 1

8.35 am Godzilla. Cartoon series. 9.00 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand, including 12.20 News Summary; Football Focus (12.20); Racing from Cheltenham (12.55, 1.30, 2.05, 2.40); Skiing (1.10) from Garmisch, West Germany, Table Tennis (1.45, 2.55) Norwich Union English Open Championship from Brighton; Snooker (2.15, 3.15, 3.55) The first semi-final of The Benson and Hedges Masters from the Wembley Conference Centre; Darts (3.10, 3.45, 3.55) The Dry Blackthorn British Open from the Rainbow Room, Kensington; Final Score (4.35).
5.03 News.
5.15 Regional variations.
5.20 The Rod and Emu Show.
5.55 Jim'll Fix It.
6.30 The Action Film: "Relentless," starring Will Sampson.
8.00 The Les Dawson Show.
8.30 Bergerac.
9.25 News and Sport.
9.40 Wogan.
10.30 Match Of The Day.
11.30 Late Night Horror: "Frankenstein Must Be Destroyed," starring Peter Cushing.

REGIONAL VARIATIONS:
Wales—5.15-5.20 pm Sports News Wales.
Scotland—5.15-5.20 pm Scoreboard. 10.30-11.30 Sportscene.
Northern Ireland—4.55-5.03 pm Northern Ireland Results (opt-out from Grandstand). 5.15-5.20 Northern Ireland News. 1.05 am Northern Ireland News Headlines and Weather.
England—5.15-5.20 pm London: Sport; South West (Plymouth): Spotlight Sport; All other English regions: Sport/Regional News.

## BBC 2

10.10 am Open University.
2.55 pm Stars of the Silent Screen: Douglas Fairbanks Sr. in "The Mark of Zorro."
4.05 Play Away.
4.30 Saturday Cinema: "Lisbon," starring Ray Milland, Maureen O'Hara and Claude Rains.
6.00 Snooker. Highlights of this afternoon's first semi-final in the Benson and Hedges Masters at Wembley.
6.50 Sight and Sound in Concert. The Europeans on stage at The Gold Diggers, Chippenham (simultaneous broadcast with Radio 1).
7.30 News and Sport.
7.45 The 20th Century Remembered.
8.15 Snooker.
8.25 C. P. Snow's "Strangers and Brothers."
10.20 Men ... at Home.
10.45 Newsnight's January.
11.10 News On Two.
11.15 Snooker. Further coverage and the results of the second semi-final in the Benson and Hedges Masters.

## LONDON

6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 Saturday Show.
12.15 pm World of Sport: 12.20 World Cup Skiing from Garmisch-Partenkirchen, West Germany and from Megeve, France; 12.45 News; 12.50 On The Ball; 1.20 The ITV Six from Doncaster and Ayr (introduced by John Oaksey and Jim McGrath); 2.50 Boxing, live from The Victoria Hall, Stoke-on-Trent and Ballymena; The Monte Carlo Rally; 3.45 Half Time Soccer Round-up; 4.00 Wrestling; 4.45 Results.
5.00 News.
5.05 Fraggle Rock.
5.35 The Fall Guy.
6.30 Child's Play.
7.00 3-2-1.
8.00 T. J. Hooker.
9.00 News.
9.15 "Are You in the House Alone?" starring Kathleen Beller, Blythe Danner and Tony Bill.
11.05 London News Headlines followed by Rock Concert.
12.05 am Profiles in Rock.
12.35 Best of Saturday Night Live followed by Night Thoughts with Rev Kenneth Greet.

## CHANNEL 4

1.30 pm Coping.
2.00 "The Major and the Minor" starring Ginger Rogers with Ray Milland.
4.10 The Three Stooges.
4.35 Skateaway.
5.05 Brookside.
6.00 The Other Side of the Tracks.
7.00 No Problem!
7.30 News Headlines followed by Seven Days.
8.00 Twenty Twenty Vision.
8.50 Ritum — The Elephant Cave.
9.30 The Avengers.
10.30 The Comic Strip Presents.
11.10 "W" starring Twiggy with Michael Witney.

S4C (WALES)
1.45 pm A Week in Politics. 2.30 Basketball. †3.25 Feature Film: "Monkey Business." 5.05 Yr Awr Fawr. 6.05 The Incredible Hulk. 7.00 Sêr. 7.29 Newyddion. 7.45 Siwrne Ddal 8.25 Treasure Hunt. 9.25 Y Maes Chwarae. 10.45 Arolwg. 11.15 Dream Stuffing. †11.45 Feature Film: "Jamaica Inn."

## REGIONS

IBA Regions as London except at the following times:—

ANGLIA
9.25 Vicky the Viking. 10.05 Unicorn Tales. 5.35 pm Knight Rider. 11.05 The Roots of Rock 'n' Roll. 12.05 am At the End of the Day.

BORDER
9.25 am Vicky the Viking. 9.25 Once Upon a Time Man. 10.15 The Smurfs. 5.35 pm Knight Rider. 11.05 The Fugitive.

CENTRAL
9.25 am The Wonderful World of Professor Kitzel. 9.30 Metal Mickey. 10.00 Wattoo Wattoo. 10.00 The Green Hornet. 5.35 pm Knight Rider. 11.05 The Roots of Rock 'n' Roll.

CHANNEL
9.25 am Thunderbirds. 10.25 Puffin's Pla(i)ce. 5.05 pm Puffin's Pla(i)ce. 5.35 Knight Rider. 11.05 The Roots of Rock 'n' Roll.

GRAMPIAN
9.30 am Noddy. 9.45 The Smurfs. 10.10 Falcon Island. 5.35 pm Knight Rider. 11.05 Reflections. 11.10 The Dream Connection. 12.05 Newhart.

GRANADA
9.25 am Sesame Street. 10.20 Cartoon. 5.35 pm Knight Rider. 11.05 The Roots of Rock 'n' Roll. 12.00 Thriller.

HTV
9.25 am Sesame Street. 10.25 Cartoon Time. 12.13 pm HTV News. 5.35 Knight Rider. 11.05 Rugby—Bath v Headingley. 11.30 Hill Street Blues.
HTV Wales—As HTV West except: 11.05-11.30 pm Cup Rugby—South Wales Police v Llanelli.

SCOTTISH
9.25 am Cartoon Time. 9.35 Sclenery. 10.00 The Flying Kiwi. 10.25 Adventures of the Mouse on Mars. 5.35 pm Knight Rider. 11.05 Late Call. 11.10 The Saturday Night Music Show.

TSW
9.25 am The Wonderful Stories of Professor Kitzel. 9.30 Freeze Frame. 10.27 Gus Honeybun's Magic Birthdays. 12.12 pm TSW Regional News. 5.05 Newsport. 5.40 Knight Rider. 11.05 The Roots of Rock 'n' Roll. 12.05 am Epilogue: Gateway to the South. 12.30 Postscript.

TVS
9.25 am Wattoo Wattoo. 9.35 The Smurfs. 10.00 Mork and Mindy. 12.12 pm TVS Weather. 5.35 Knight Rider. 11.05 Jazz: Nat Adderley, best known for the quintet he co-led with his brother Julian "Cannonball" Adderley during the '60s, performs at New York's Village Vanguard. 11.35 Comedy Tonight. 12.05 am Company.

TYNE TEES
9.25 am Good Morning, Glory. 9.30 Sport Billy. 9.55 The Flying Kiwi. 10.25 TT Time. 12.13 pm North East News. 5.05 North East News. 5.40 Knight Rider. 11.05 Roots of Rock 'n' Roll. 11.35 Journey to the Unknown. 12.35 am Poet's Corner.

ULSTER
9.25 am Space 1999. 10.20 Cartoon-time. 12.48 pm Lunchtime News. 4.55 Ulster Sports Results. 5.03 Ulster News. 5.40 Knight Rider. 9.14 Ulster Weather. 11.05 Star Parade. 12.05 am News at Bedtime.

YORKSHIRE
9.25 am Regional Weather Forecast followed by Majorettes. 9.35 Metal Mickey. 10.00 University Challenge. 5.35 pm Knight Rider. 11.05 Pro-Celebrity Snooker. 11.50 City of Angels.

RADIO 1
(S) Stereo broadcast
8.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm Adrian Juste. 2.00 Paul Gambaccini. 4.00 Saturday Live (S). 6.30 In Concert (S). 6.50 Sight and Sound in Concert (S) featuring The Europeans at the Gold Diggers, Chippenham (simultaneous broadcast with BBC2). 7.30 Janice Long. 10.00-12.00 Dave Davies.

BBC RADIO 2
5.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm Bernie Clifton's Comedy Shop. 1.30 Sport on 2: Cricket: Reports from New Zealand on Otago v England; Racing from Cheltenham (2.10); Rugby Union: Commentary on Gosforth v Wasps, Third Round of the John Player Cup; Snooker from Wembley; Football: FA Cup Fourth Round, plus from 3.55 second half commentary on an important match; 5.00 Sports Report, including 5.45 Racing results and 5.50 Pools news and results. 6.00 Folk On 2 with Jim Lloyd. 7.00 Jazz Score with chairman Benny Green. 7.30 Saturday Gala Night (S). (8.30-8.35 Interval with David Tomlinson). 9.30 Big Band Special (S). 10.05 Saturday Rendezvous (S). 11.00 Ken Bruce (S). 1.00 am Jean Challis presents Nightride (S). 3.00-4.00 Pop Over Europe with Manna von Senger.

BBC RADIO 3
8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.30 BBC Scottish Symphony Orchestra: Part 1: Dvorak, Mozart (S). (12.10 pm Interval Reading). 12.15 Part 2: Cyril Rootham. 1.00 News. 1.05 Piano Duets (S). 2.00 Georg Philipp Telemann (S). 3.10 Clarinet and Piano (S). 3.45 Russian Orchestral Miniatures (S). 4.20 Hungarian Songs (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Iberian Organ (S). 7.15 The Ape and the General (short story). 7.30 BBC Welsh Symphony Orchestra from the Brangwyn Hall, Swansea, part 1: Elgar, Britten (S). 8.10 Behind the Mask (talk by Martin Hollis). 8.30 Concert, part 2: Shostakovich (S). 9.20 Oswald in the Chink of Light between Heaven and Earth. 9.40 De Saram Clarinet Trio (S). 10.45 The Romance of the Rose (S). 11.15-11.18 News.

BBC RADIO 4
7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 7.55 Weather; Travel; Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.46 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News; Money Box. 12.27 pm News Quiz. 12.55 Weather. 1.00 News. 1.10 Any Questions? from Diss, Norfolk. 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 Home-ing in. 4.00 International Assignment. 4.30 Does He Take Sugar? 5.00 The Chip Shop (S). 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel; Programme News. 6.00 News; Sports Round-up. 6.25 Desert Island Discs (S). 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 You the Jury. 11.00 Lighten our Darkness. 11.15 Animal Language. 11.45 A Sideways Look at . . . with Anthony Smith. 12.00 News.

RADIO LONDON
5.00 am Good Fishing. 8.04 London Today. 9.03 Inside London. 9.30 Corridors of Power. 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 6.00 Guideline. 6.30 Evening Star. 7.30 Hold the Front Page. 8.00 Eastern Ear. 8.30 Good Fishing. 9.00 As Radio 1. 12.00-6.00 am As Radio 2.

LBC
7.00 am AM with Peter Deeley. 10.00 Clive Bull's Fix-It Phone-In. 1.00 pm Sportswatch with Dominic Allen and Jeff Stelling. 6.00 Des Fahy Reports. 7.00 Geet Mala with Suresh Joshi. 9.00 Network: Hardy's Weaver. 10.00 Adrian Love's Nightline. 1.00 am Steve Allen's Night Extra.

CHESS SOLUTIONS

Solution to Position No. 500
1 P-N4 ch, PxP ch; 2 NxP dis ch, QxQ; 3 N-B6 mate, or if 2 . . . P-N4; 3 Q-K8 ch, Q-N3; 4 N-B6 mate, or if 2 . . . R-B4; 3 QxQ wins.

Solution to Problem No. 500
1 R-N3. If 1 . . . K-R6; 2 Q-N3 ch, BxQ; 3 N-N1, or if K-R8; 2 Q-N1 ch, or if P-K5; 2 N-B4, or if B-R6; 2 Q-N3 ch.

# An education in new and old vintage tastings

BY EDMUND PENNING-ROWSELL

THERE ARE broadly two types of tasting to which those who write about wine are invited: those in hope of publicity for new lists or new items, and those principally to provide information and what may be called education.

The most interesting in the first category are those devoted to recent vintages, and the best attended one in the year is probably that given for the trade and Press by the distinguished Beaune firm of Louis Latour each autumn in the Skinners' Hall in the City. Its lofty hall is traversed by two long tables, each lined with about 30 white and red burgundies: this last time for the 1981 and 1982 whites, and from 1982 back to 1979 of the reds.

In each case the 1982s were cask samples, always difficult to maintain at a proper freshness of aroma and flavour. To give accurate retail prices is not possible, as those marked were either ex-cellars or trade prices, or no price at all was given. This applies to other tastings too.

The big, powerful '82 whites were not all that easy to taste but the inexpensive Mâcon Lugny Genièvres was very firm and fruity (c £4). Also I particularly liked the Chassagne-Montrachet (c £8), but the two top wines were Latour's own Corton Charlemagne (c £15), with lovely vanilla nose and typical big flavour, and the big, but finely balanced Bâtard Montrachet (c £16); very distinguished. The best '81 in terms of value for money was the plain Meursault (£9), oaky on the nose, full-bodied and nutty on the taste.

The reds were harder to taste, particularly the young ones, but of the '82s I liked the unpriced, light Savigny for its elegant bouquet and fairly forward flavour. In general this large vintage produced light red wines. Otherwise Latour's 1979 Corton Grancey blend was very complete in flavour if pale in colour like many wines of this year (about £14).

If Latour's tasting is very well attended, one of O. W. Loeb's pair is the most social occasion. Its customers are invited to the one which the firm devotes to its list of German and French wines.

The result is rather like a crowded picture gallery private view. The serious business is much interrupted by greeting old friends and punctuated by the hazards of expectoration on to the customers' best clothes. But the level of wines is high, for as far as possible Loeb's (of Jermyn Street, SW1) buy only from growers with which it has exclusive arrangements, though this is not possible with Bordeaux; and so small is the demand for fine German wines in Britain that it has few rivals for the estates it represents. Its white burgundies showed that the 1980 Grand Crus Chablis Les Clos and Vaudésir (each £8) were much more ready than the superior, but closed-up, 1981s and that 1979 clarets have to be chosen with care: the Issan (£9.25) and the Grand Barrail (£8) probably the best. The German range showed the lack of character of most 1982s, though the Maximin Grünhauser Kabinett (£7.19) had the acidity and style associated with this fine estate's wines.

Lay & Wheeler has the agreeable custom of asking wine writers down to Colchester each autumn to launch its latest list: certainly one of the best in the country. On this last occasion it selected 33 wines to open and taste. As nearly all came from different parts of France, it is not easy to pick out a few, but here is a selection.

For those who like incisive Sauvignons, the Haut-Poitou cooperative one is a very clean white (£2.97). An even cheaper *vin de table* is Costevin Rouge, a blend including Cabernet-Sauvignon and Grenache from Pierre Coste of Langon in the Gironde (£2.39). From him also comes a very crisp, authentic-flavoured white Graves, Ch. Montalivet '82 (£3.39). For my taste many Gewürztraminers are too aggressive, but the Schlumberger Cuvée Christine '76 (£6.86) has a lovely bouquet and is mature.

Also shown was what to my mind is incontestably the best Pouilly-Fuissé, Ch. Fuissé. Produced from old vines the '81 is inevitably expensive (£10.29), but is the equal of many Côte d'Or whites at higher prices. On the whole I found the reds less interesting partly because of the vintages chosen, but the Ch. Lalande Borie '79, produced by M. Borie of Ducru-Beaucaillou is claret of real class (£5.29), while the Domaine Dujac's Morey St Denis '80 (£9.78) is a true, fairly light, not over-sugared burgundy.

Tanners of Shrewsbury, with several branches, including two at Hereford and Telford, is a member of the Merchant Vintners buying group of which Lay & Wheeler is also a member. So some of the same wines may be found on both lists.

Tanner's came to London for its tasting, which ran to no fewer than 80 wines, starting with a fine run of excellent sherries, among them Hidalgo's Mariscal Oloroso Seco (£3.59) a delicious dry oloroso of a type all too little appreciated there. In the white wine section an unusually crisp, fresh Entre-Deux-Mers was Ch. Moulin-de-Launay '82 at an attractive price of £2.63, a fruity, full-bodied Rully, Domaine Cogny '79 (£6.31) and a really fine, vanilla-nosed Puligny-Montrachet Combettes '81 (£11.47) for laying down.

To pick out a few on the very comprehensive red list, the Côtes du Rhône Ch. du Grand Moulas '82 (£3.02) had much more character than many of its kind and a really robust, mouthful of a Châteauneuf, the oddly-named Vieux Télégraphe '80 (£4.92). Dearer, but a classic burgundy was Comte Lafond's Volnay Santenots '79 (£9.18). There were also some interesting "new world" wines: Joseph Phelps, oaky, fruity Californian Chardonnay '78 (£9.07). Trefethen California Cabernet-Sauvignon, with a minty bouquet and flavour, as greatly admired there (£8.42) and Wynn's Coonawarra Cabernet-Sauvignon '79, with lots of body and a bargain at £5.41.

It is impossible to do more than indicate a few wines from these very serious wine firms, whose lists are worth writing for, save for importer Louis Latour whose burgundies are on many retail lists.

The other, informational, educational tasting is something of a reward for the first kind, which is often less inspirational than is commonly regarded. I have attended two such claret gatherings in recent months.

One was of thirty 1982 classed-growth Médocs held at Christie's wine course centre in South Kensington. All were cask samples, arranged by communes but no first-growths were included.

The tasting showed that not all '82s are wonderful at this stage. Looking for depth of colour, forthcoming aroma and big flavour, my favourites, generally in line with half a dozen other tasters, were, in the front rank, Pichon-Comtesse and Grand-Puy-Lacoste: very distinguished. Then in the second echelon were Cos d'Estournel, Lynch-Bages, Cantemerle and du Tertre; and in the third Malescot, Haut-Batailley, Léoville-Barton, Talbot, Calon-Ségur and Lafon Rochet.

Then Sotheby's accommodated a retrospective blind tasting of 30 1959 top Médocs and red Graves, generously assembled by a frequent client of London wine auction rooms, an American collector, Mr Bipin R. Desai. Once proclaimed "the vintage of the century," there has always been a query over 1959, but from this exercise it now was clear that its peak has been reached, with a good many wines already browntinged and drying up.

# Art of the seafarers

BY JUNE FIELD

AS A comparative newcomer to the sea, secretary to the Navy Samuel Pepys appreciated the worth of studying a model before actually boarding a vessel.

It meant he was "in no sense at a disadvantage," and in his diary of 1662 recorded: "Up early, and to my office where Cooper came to see me and began his lecture upon the body of a ship which my having a model in the office is of great use to me . . ."

Master shipwright Phineas Pett, James I's naval architect, is generally accepted as the first true shipbuilders' modeller, designing a model of the Prince Royal in 1607 which was later built and launched under his supervision.

And probably one of the first collectors of strictly accurate *scale models* was Charles Sergison, described as a kind of finance minister to the British Navy around 1700, who was able to take home those ship models which never got beyond the development stage. They were eventually acquired by Henry Huddleston Rogers and finally bequeathed along with the rest of his collection to the United States Naval Academy, Annapolis.

President Roosevelt was a keen collector of all kinds of models—frigates, sloops of war, clipper ships, submarines and even Chinese junks. President Kennedy's collection of ship models is on display at the U.S. Navy Memorial Museum, Washington, D.C.

The importance of the model's role in maritime development is effectively traced in Norman Boyd's *The Discovery of Ship Models*, an enlarged and updated version just produced of his pocket guide published in 1971. (£8.95 plus £1.05 postage from Napier Editions, Corporate House, Queen Street, Colchester, Essex.)

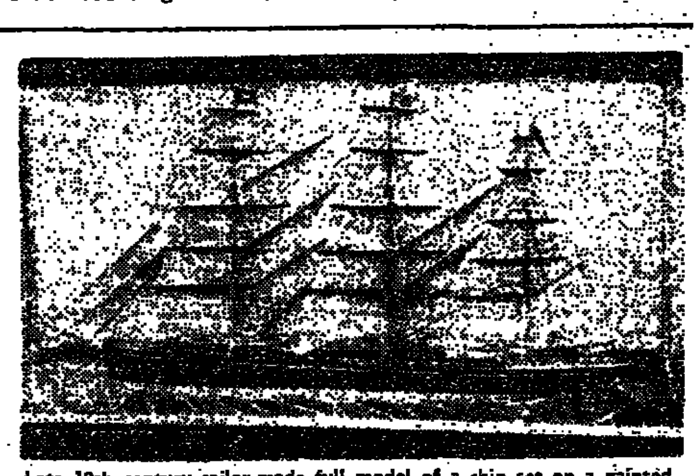
Mr Boyd, whose father was a shipyard worker, says his love of the sea began at the age of 12 when he used to sail a ketch on the Clyde. He now skippers a Moody Forty on the River Blackwater, makes, restores and collects model boats, has an aviation pilot's licence, runs a design firm, and lectures, writes and broadcasts on ship models.

The book is for enthusiasts, a useful introduction to the growing field of nautical antiques. Covered are the models made by French prisoners-of-war during the *Napoleonic Wars* 1793-1815, to ships in bottles where the craft is first built and temporarily rigged with masts and sails before being gently inserted into the bottle with its masts lowered. Described, too, is the work of modern professional model-makers who produce vessels for naval architects and shipping companies, as well as museums and collectors.

At Langfords Marine Antiques, 46-47, Chancery Lane, London WC2, Laurence Langford showed me some of the sort of things collectors look for. There are what he calls "nice little ships in bottles" dating any time between 1890 and 1950, from about £40, depending on how well made they are; and mid-Victorian "sailor-made" ship models of varying quality, from £150 upwards. "Some are crude, some are charming, many are hardly to museum standard, but about them all is a real feeling of the sea," says Mr Langford, whose customers range from doctors, lawyers and other professional men who want something impressive to show off in their offices, to more *serious* collectors who "mess about in boats."

As the quality rises, so do prices, with something really well crafted nearer to £500-plus, and original "prisoner-of-war" models anything from £1,000 to £2,500 upwards. At a Sotheby's sale last June 21, a large bone model of a 130-gun first-class ship-of-the-line fetched what was probably a world record, £30,800, for that type of model. Also last summer a dockland model of a 68-gun ship, possibly HMS Hampton, in boxwood and pearwood, unplanked below the waterline to reveal the internal ribbing, made £36,300 at auction.

Nautical books are eagerly sought for research. The Warsash Nautical Bookshop, 31 Newtown Road, Warsash, Southampton, Hants (04895 2384), is run by ex-Merchant Navy engineer Alan Obin, who bought the business 10 years ago from Phillip Bristow of *Bristow's Book of Yachts* and has over 1,600 different titles in stock. The current catalogue includes everything from John Bowen's *Scale Model Warships*, to Alan Rose's *Build Your Own Titanic*.



Late 19th century sailor-made full model of a ship set on a painted wood sea encased in glass at Langfords Marine Antiques

John Cook, Mainmast Books, Saxmundham, Suffolk (0728 2359), runs a massive mail order business of publications from over 36 countries, selling to underwriters and shipping agents, as well as "maritime enthusiasts from lords to dustmen."

Mainmast have just taken on the UK distribution of four particularly appealing books that cover completely different aspects of the nautical scene.

The beautifully illustrated *Oman: a Seafaring Nation* (£15 plus £1.50 postage), traces the history of the earliest Arab sea-traders at Magan, to the voyages of the Sultanah, one of the warships of Sayyid Said's fleet, built in Bombay in 1833. On one of her trips to London, gifts of pearl necklaces, emeralds, shawls, attar of roses and four horses were presented to Queen Victoria, which she recorded in her journal as being "very handsome."

*Another fine publication* is *The Union Steam Ship Company Steamships* by Douglas Gardener with paintings by Jack Hobbs (£9.80 including postage), of ships of the fleet from the 174-ton Maori built 1868 in Glasgow, to the 2,961 ton Seaway Queen built 1964. This was the company's first venture with the roll-on, roll-off field, built for service between the Australian mainland and Tasmania.

● For general reading by collectors are *Art and the Seafarer* (Faber 1968), which has a good section on "votive ships" (models left in Egyptian tombs), and *Ship Models in Miniature* (David & Charles 1973), which illustrates over 60 models built by the author Donald McNarry. Jacqueline L. Kranz's *American Nautical Art and Antiques* (Crown Publishers, New York 1975), gives some pertinent tips on how to recognise a model's worthiness, which includes checking on the authenticity of the rigging, making sure that parts are not pressed, but whittled or carved by hand, and looking for details such as rope-ladders, dinghies and well-planed decks. (All these publications are in great demand on dealers' lists, so they may need to be searched out from your local library).

# A round on the Caribbean carousel

A YEAR ago I stumbled on Windward Island Tropicals, a nursery in St Lucia recently started for the production of house plants for the British market. That story brought me a message that a similar nursery had been started a year or so previously in Montserrat and that I would be very welcome to visit it.

So, after Christmas, I set off with my son for Antigua intending to make it my headquarters but on arrival we found that the hotel in which we were booked had suffered multiple disasters and for the moment was quite unable to receive us.

So, by courtesy of Kuoni, we flew on to Barbados and the new Haywood Hotel which has been built and attractively landscaped by the Barbados government and is let to Caledonian Hotel Management.

It proved a fortunate accident for we arrived just after the opening of the latest Barbados show garden, the Flower Forest at Richmond not far from the centre of the island. This is the creation of a small group of enthusiasts headed by Mr Don Hill and is in part conservationist in intent, in part a display garden for plants of economic importance as well as the many ornamentals that thrive in the kindly climate of Barbados.

During our stay the unprecedentedly low temperature of 64 degs F was registered on two successive nights and the delicate white flowers of *Begonia nitida*, so popular in the Caribbean, turned yellow with disgust. The Flower Forest will eventually fill 50 acres of steep hillside, with fine views to the rugged Atlantic coast.

Already the upper 25 acres have been thinned and planted and look so mature that it is difficult to believe work started little more than a year ago. By the end of 1984 it is hoped to have the whole area under cultivation and, given the right support, it should get better every year.

The biggest collection of ornamental plants in Barbados is almost certainly at Andromeda Gardens close to the Atlantic coast near Bathsheba.

Here Mrs Iris Bannochie has been busily planting since 1954 and presumably there must have been some plants before she started since the property has been in her family *for more* than 200 years. It is a very well organised and beautiful garden full of heliconias, bougainvilleas, bauhinias, hibiscus, cassias, crotons, euphorbias and many more including vanda and epidendrum orchids growing outdoors.

GARDENING

ARTHUR HELLYER

The published list of 102 names tells only part of the story and I had to ask the names of numerous plants as we made our tour. There is also a thriving nursery which supplies many other Caribbean gardens.

In complete contrast to both these gardens is that at the Villa Nova which Lord Avon used as a winter retreat between 1965 and 1971. Built in 1834 as one of the great sugar plantation houses, it has a gracious Regency look which is echoed by the garden. All the ground floor rooms open on to an encircling veranda fringed with white begonias.

*There are spacious lawns*, mature trees including both large and small leaved species of mahogany, groves of bamboos, cool glades of tropical ferns and even close clipped shrubs to heighten the 19th century image.

Colour is handled discreetly, every scarlet poinsetta cooled by a nearby pink or white variety and the inevitable crotons used to heighten but never dominate colour schemes. This is a very civilised place beautifully maintained by Mr and Mrs Ernest Hunte who have *owned it since 1971*.

So, the hotel difficulties at Antigua having been resolved, we returned to that very different and much less prosperous island to find no public gardens of any note unless one includes the remarkable Fort Claimont on a spur from the north-east corner of the small Antiguan rain forest overlooking palm fringed Carlisle Bay.

Here both houses and gardens are being extended by Mr Howard Levine who sailed, he says, by accident into St Johns in 1964, fell in love with the place, and has lived there ever since.

He bought Fort Claimont in the mid-1970s, demolished the small building that remained there and ever since 1977 has been rebuilding and planting to his own highly romantic plans. The place now drips with the colour of every kind of bougainvillea, hibiscus, bauhinia, jasmine, croton, acalypha and all the other tropical beauties that will thrive in a hothouse atmosphere.

At one time he planned to open it to the public as a botanical garden but then decided that this would interfere too much with his privacy. Yet I gained the impression that anyone genuinely interested in plants would have little difficulty in arranging a visit.

Fort Claimont is surrounded by the best pineapple fields in Antigua and the crops here are so good as to suggest that the island urgently needs a canning factory so that this potentially profitable industry could be *expanded*.

So finally, and all too briefly, to Montserrat the real object of my journey. It proved to be a dream island of twin volcanic peaks soaring respectively 3,000 and 2,400 feet from deep blue sea and separated by a 1,500 foot pass over which the road goes from the small Blackburne airfield on the east to Plymouth on the west.

In Montserrat, the roads are well surfaced, the villages *clearly named, the crops well* cared for and the golf course is verdant green. Leeward Island Plants, which I had come to see, occupies three acres of a neat industrial complex at the foot of the mountain behind Plymouth which it shares with sea-island cotton and electronics.

It is almost entirely covered by shade houses now mainly growing golden leaved scindapsus and cream speckled Marble Queen dracaeneas to provide cuttings which are flown to Clacton-on-Sea for rooting.

*Most finish up in* mixed ornamental bowls which are sold at stores such as Marks and Spencer. Six thousand cuttings can be packed into one 35lb cardboard box to be flown in economic lots of between 350 and 400 kilos by charter plane from Blackburne airfield to Antigua where they are transferred direct to British jumbo jet to arrive at Heathrow the following day.

Montserrat is full of fine houses and beautiful gardens, even has its own recording studio where its famous *pop star residents* can continue to work if they feel so inclined.

The little aircraft that flew me back to Antigua arrived an hour late and from a different island than that scheduled without explanation or apology, but then it was not based in Montserrat.

# But 'twas a famous victory

*And everybody praised the Duke,*
*Who this great fight did win,*
*"But what good came of it at last?"*
*Quoth little Peterkin.*
*"Why that I cannot tell," said he,*
*"But 'twas a famous victory."*
Robert Southey

Alan Forrest thinks about the future of Yorkshire cricket

DAVID BAIRSTOW, Yorkshire's new captain, declares from his winter tour in Muscat that he will be happy to have Geoffrey Boycott in his team next season. Team manager Ray Illingworth, at the same time, says he will play no more because of the shouting and bawling from the groundlings.

So where is Yorkshire cricket now? For a batsman with only secondary claims to bowling skill to have bowled out Norman Yardley, Freddie Trueman, Ronnie Burnet and Ray Illingworth at the flick of a ballot paper is a famous victory. But what good will come of it?

As a Yorkshireman and fan for nearly half a century—I saw the twilight of Herbert Sutcliffe and the high noon of Leonard Hutton—I'm rather worried. I can understand the euphoria of Boycott's supporters . . . they have achieved something that even 10 years ago nobody in county cricket could imagine. If Club Member Power can do something like this, is even Lord's safe from the levellers?

But what happened at Harrogate last weekend leaves Yorkshire in a mess, and I'm not happy about that. I admire the loyalty, cricketing knowledge and controlled militancy of Boycott's supporters, but what they don't seem to have is any real idea of the long-term future of the county club.

Yorkshire have done nothing much since the 1960s. Last year's winning of the John Player League was either a stroke of luck, or as some might put it, further proof that God is a Yorkshireman, and so we can still behave as if we were God's gift to cricket, choral singing and the worsted suit.

My last visit to God's own country was just before Christmas. Two Yorkshire Ladders Marines grabbed me in the train's dining car and gave me a paean of praise to Boycott which lasted through three courses, several brandies, a continuation in the bar of the Queen's Hotel, Leeds, and pro-Boycott night cries along Wellington Street as I fled to claim my room at the Metropole.

Now Yorkshire has a mini-General Election to face for the new committee to be elected at the annual meeting on March 3 at Sheffield. It will probably raise more steam than a pithead ballot. Boycott himself is standing in the Wakefield district against Dr John Turner, the sitting member. And Ronnie Burnet, former cricket committee chairman, and the county captain who contributed largely to Yorkshire's revival in the 1960s after a seven-season eclipse by Surrey, now says he will be standing on a policy of giving a one-year-only contract to Boycott.

Boycott is 43. I think he could survive as a first-class batsman until he is 50.

And I can understand the joy of his supporters at hitting at the power base which dealt so shabbily with Johnny Wardle, Brian Close, and, yes of course, Ray Illingworth, in the past. 'Twas a famous victory. But I'm still wondering what good will come of it?

Kitanoumi (26 stone 1 lb) throws Kotokaze

Jurek Martin in Tokyo reports on the big men of sumo wrestling

# Who's who among the 400-pounders

IT HAS taken me a long time to work out how to tell readers of the Financial Times all about sumo wrestling, which is Japan's national sport and, after baseball, probably its most popular spectator pastime.

Inspiration finally dawned the other afternoon when, stuffed with yakitori and sake and only mildly uncomfortable after three hours in a four-seater "box"—which consists of four cushions spread over a floor area the size of the average coffee table—I realised I was deeply involved, consumed indeed, in the spectacle of two near-naked gentlemen, collectively weighing some 760 lb, preparing to do brief battle with each other.

For all the tradition and ceremony that goes with sumo, the real attraction, as in almost every sport, is the personalities. That they come in larger-than-life sizes is irrelevant, just as the pleasure of watching basketball in the U.S. is undiminished by the fact that the best players are often seven feet tall and therefore capable of feats beyond the average Walter Mitty.

It also then occurred to me, simply by looking around the crowd, that increasing numbers of foreigners, on business or holiday in Japan, either go themselves or, more likely, get taken by their Japanese hosts to one of the six annual, 15-day-long sumo tournaments, for which the gorgeously explicit Japanese name is "basho." Any decent guidebook can give the visitor a fill-in on the sport's background, but real enjoyment for the sporting aficionado can come only from some knowledge of who is who, who is on the way up and who down and why it is that, for certain bouts, the normally phlegmatic Japanese audience starts displaying symptoms akin to Cup Final hysteria.

So, just as the itinerant Japanese, who is, of course, the soul of diligence, might come armed on his overseas travels with some awareness of the likes of Ian Botham, or Fernando Valenzuela — baseball — Michel Platini — European soccer — here is the travelling gaijin's inside look at the current state of sumo.

For perhaps another year, maybe less, it should be possible to observe a genuine legend in action. He is Kitanoumi, who has won more individual contests than any rikishi (wrestler) in history, and the second greatest number of tournaments. Magisterial and lowslung, the fulcrum of whose 365 lbs appears not much above knee level, Kitanoumi has recently been bedevilled by leg injuries (the rikishi's bane) and is no longer his all-but-invincible old self. But merely to have seen him at work is a privilege comparable with those who recall Bradman's last test, when he was out for a duck, or Ted Williams's final appearance at the plate, when he hit a home run.

The two best current performers are the other two yokozuna, or grand champions—Chiyonofuji, alias "the wolf," all muscle and speed at a lightweight 260 lbs and Takanosato, whose shoulder and neck muscles would grace a bullring.

My personal favourite, and immensely popular among Japanese fans, especially women, is another relative lightweight, Wakashimazu, who is an ozeki, or champion one rung below the top rank. But where Chiyonofuji is all mean muscle, Wakashimazu has a soft fleshiness that goes perfectly with a face which, with its straight nose and arrogant mouth, precisely resembles that of a corrupt Roman senator. But, in the ring, he is fast and immensely skilful.

Biggest of all are a pair of non-Japanese, the truly venerable 39-year-old Hawaiian, Takamiyama, whose bewhiskered visage has made him—after Sadaharu Oh, the now-retired baseball legend—the country's most commercially successful sportsman, and who is now trying grimly to hang on until his 40th birthday, and his protegé, the 19-year-old Samoan, Konishiki. Both tip the scales at 450 lbs, give or take a bit, depending on the size of their lunches.

There are about 750 sumo wrestlers training in stables still run on quasi-feudal lines. They go up and down the rankings like snakes and ladders: a winning record in one basho means promotion in the next—the reverse, demotion: only a yokozuna can escape relegation, though if he does badly he will be expected to retire. The higher a rikishi goes, the more often he is pitted against the stars and greater the probability of a losing record.

It is an uncompromising system which has produced some legendary individual rivalries, of which, at present, comfortably the best is between Chiyonofuji and Takanosato, who have fought each other for the championship on the final day of the last four bashos with "Taka" winning three of them including this month's.

And the best way of enjoying what can well be a day of high drama and excitement is to take the nominally expensive route of a box seat. The outlay, £18 sterling and upwards, seems steep but includes a volume of traditional foods and souvenirs that defies belief. Indeed those stumped for an idea of what to take back home to Great Aunt Ethel might well find the answer in a tea cup featuring the truly frightening, glowering face of Kotokaze. That should keep the old dear quiet for months.

James French on the road to Wembley

# Can Brighton rock again?

THE FOURTH ROUND FA Cup-ties scheduled for this week-end—however long they may be delayed by freezing weather—look like providing a rare treat. In seven ties Second Division teams have been drawn at home to First Division clubs, a freak happening likely to assist the competition to make its reputation as "the great leveller" survive.

The cream of the draw seems to have risen in the south, generally most advantaged in these days of recession. One gem of a tie which will be played tomorrow for the benefit of television viewers, is Brighton v League champions Liverpool, a repeat match from last season, when the Seagulls, then managed by former Liverpool player Jimmy Melia, astounded everyone by winning and reaching the Cup final.

Alas, they also descended to Division Two, where they are now doing middling, while Liverpool continue to lord it as Division One leaders.

My outing today will be to Selhurst Park, where Crystal Palace, coming back to full strength and surely lifted by outplaying Newcastle and Kevin Keegan 3—1 last Saturday, could well surprise West Ham, who are now hard hit by injuries (two from a car crash) and who have slipped from their early-season peak.

The other southern thriller is at Fratton Park, where Portsmouth, a club with a tradition of skill and success, fighting their way upwards from the depths, meet their now-powerful neighbours Southampton, managed by the towering, multi-talented Geordie, Lawrie McMenemy.

In all the other matches pitting Second Division sides at home to senior opposition, whenever they might be played, the home sides have excellent chances of victory: Yorkshire clubs Sheffield Wednesday, enjoying an overdue resurgence, and Huddersfield, whose last real fame came even further back, could well dispose of Coventry and Notts County.

Charlton are capable of upsetting Elton John's mercurial Watford, and Shrewsbury must fancy their chances again against Ipswich, whose recent form has been suspect.

Another intriguing tie is between Fourth Division Swindon, who more than a decade ago built a reputation for creating Cup havoc against senior clubs while wearing training shoes on icy pitches, and Blackburn.

But it looks a safe bet that when the round is complete, after all the replays and postponements, First Division clubs will still be in a minority.

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# The hands-off recovery

A LITTLE over a year ago, the consensus forecast for U.S. growth was about 3 per cent in real terms, but Wall Street was staging a roaring bull market in equities. The growth came through at more than twice the forecast rate, in nice time for President Reagan in his election-year State of the Union message to claim the credit.

However, Wall Street seems to have topped out some time ago and there are now a few voices suggesting that the recovery could peter out uncomfortably early for a November poll. The huge U.S. government deficit, which some economists argue created the recovery, is now seen as a threat to its continuation even by the normally bullish Mr Donald Regan, the U.S. Treasury Secretary.

Meanwhile, in the UK we have a consensus forecast of about 2½ per cent real growth. Again, we have a vigorous bull market in equities, even if it is not roaring quite up to U.S. standards; and as in the U.S., the Government is beginning to hint that the consensus forecast may be too modest. This could well be true, for the latest batch of revisions of the official figures confirms that we have been doing better than we thought all along. (The systematically gloomy bias in the official figures was discussed in this column last week). Watch for the consensus forecast to be revised accordingly.

These transatlantic echoes are odd, for at first sight our two economies are following radically different paths. In the U.S. there is a huge fiscal injection, real wages are static, while the dollar continues to defy the forecasters with a kind of Indian rope trick. In this country we have the tightest fiscal policy on earth, according to the OECD (though not as tight as a year ago), real wages are rising too fast for comfort and sterling is a bit weak on its average measure — and spectacularly so against the dollar.

### Determinants

If Government policies and exchange rates were the real determinants of our economic fortunes, as some economists seem to believe, then our two economies could hardly follow a remotely similar course; but in the real world, of course, a lot of other people take important decisions. Indeed, the increase in the U.S. fiscal deficit, including State budgets, was almost invisible between 1982, when GDP fell by 2 per cent, and 1983, when it rose by 6 per cent.

The people who did change their behaviour drastically were consumers. The U.S. personal savings rate, which had peaked at 9 per cent of income during 1982, fell to about 4½ per cent last year — a huge boost to demand. This higher demand helped to raise employment by 3 per cent, so there was more money in consumer purses despite the standstill in real wages. It was a consumer-led recovery — which is precisely the reason why some Puritan economists claim that it cannot last much longer.

In this country, too, there has been a sharp drop in saving — partly a reflection of the spectacular rise in consumer borrowing — and we too have a consumer-led recovery. The latest balance of payments figures suggest that not nearly so much of this rising demand is leaking overseas as the consensus forecast feared a year ago; the stock market is expressing pretty clear confidence that this process can go on.

### Richer

To quite a large extent this confidence can be self-justifying. Rising security values make shareholders feel richer, so they are readier to spend. Just as important, perhaps, rising dividends, high real interest rates and falling inflation make pension funds feel richer. They either dish out more money to established pensioners, or reduce their demands from corporate and personal contributors, or both. Either way, savings fall and consumption rises. Finally, rising share prices encourage companies to invest; they enjoy not only the rising cash flow which drove share prices up, but access to cheaper external capital by way of new issues as yields fall.

Both countries might be said, then, to be enjoying what is largely a hands-off recovery, generated in the private sector by rising confidence and falling inflation. Very much the same thing is happening in Canada and Australia, which shows that this kind of confidence trick is not the monopoly of right-wing political regimes. To be sure, the figures are to some extent over-flattering: it is easy to achieve a high growth rate for a time if you first depress output sharply in the name of squeezing inflation out of the system. All the same, all the countries which have enjoyed a sharp reduction in inflation, except Germany, are now achieving quite an energetic hands-off recovery.

Can it last? The cloud on the horizon, no bigger than a human hand at the moment, is some suggestion that inflation could be rising again—likely to result from a falling dollar (if and when it falls) in the U.S. and from some laxity over wages in this country. That is why the Chancellor goes on and on about the continuing importance of resisting inflation. The free market, which generated the recovery, could spoil it.



# Thatcher: record and reality

By Peter Riddell, Political Editor

HAS Mrs Thatcher given up on Thatcherism? Has the Government tacitly retreated from the economic strategy and targets it set itself in 1979-80? Has the radical edge of Thatcherism been blunted by the bureaucracy and by a lack of will to cut the size of the public sector?

That is the charge levelled by some of the Government's sympathisers — ranging from parts of the popular press to former Downing Street advisers like Mr Norman Strauss. The argument of the "disillusioned zealots" was summed up a few days ago by Mr Walter Goldsmith, the director-general of the Institute of Directors.

In his view, Mrs Thatcher's equivocation earlier this month over her 1979 manifesto pledge to cut taxation and public spending in a second term was "not good enough." Government spending, he argued, was "not under control" and it was a grave error to promise to maintain current welfare spending.

Hence, according to Mr Goldsmith, the forthcoming Budget is "a credibility test of whether Mrs Thatcher and her Government are really committed to the radical spending and tax cutting policies that are necessary to sustain economic recovery."

From a different angle—that of the traditional "establishment" (including some top civil servants and industrialists), Tory "wets" and social democrats—the charge is "we told you so." On this view, Mrs Thatcher has been forced to bend, at least partially, to economic and political realities. And these involve higher public expenditure.

For whatever reason, spending pressures have meant less room for manoeuvre for reducing taxes, so the Government has been compelled to lower its targets and expectations of what it can do. The keynote now is consolidation and the reasons for this are to be found in a close analysis of the record of Mrs Thatcher's first term.

The facts and figures show how different the record has been from what was intended in relation to the main financial targets. But that is only part of the story. First, some of the aims, including the purely financial ones, appeared from the start to be mutually incompatible. Second, the Thatcher economic record has to be measured against what might have happened under alternative economic strategies and against what has occurred overseas.

Thatcherism is not, and never was, a coherent set of detailed policies. It is much more a series of values and instincts—reflecting Mrs Thatcher's gut belief that the size and scope of the public sector must be reduced so as to allow people to keep more of their gross earnings and to stimulate the expansion of the private sector.

A number of specific financial pledges were made before and immediately after the 1979 general election. They included:—

- To return as nearly as possible to the real total of expenditure in 1977-78. After the sharp rise in spending in 1979 this was modified in March 1980 to a progressive reduction of 1 per cent a year.
- A substantial cut in personal taxation at all income levels.
- A medium-term financial strategy setting targets "for a steady deceleration in the rate of monetary growth over a four-year period, buttressed by a gradual reduction in the size of the underlying Budget deficit, which in turn is to be achieved by a steady reduction in the real level of total Government expenditure."

Yet these aims did not stand alone in the 1979 manifesto. They were coupled with commitments to raise spending on defence and law and order and to uphold the welfare state. And none of this was in a vacuum. The incoming Thatcher administration faced sharply rising inflation and an imminent world recession in 1979-80. Both of these made is much harder to reach the financial objectives.

The tables below show what happened when the two sets of commitments collided. The Government chose to raise taxes to meet the increase in public spending while public sector borrowing (the difference between the two) was held down as much as possible.

This policy of fiscal rectitude was in marked contrast to the U.S. experience. There, in response to a rise in public spending largely for the same reasons as in the UK, the Reagan Administration has left most of its early tax cuts in place, and the Federal Budget deficit has risen sharply as a percentage of GDP. In the UK it has fallen.

Yet in Britain it has proved impossible to nevertheless prevent public expenditure from rising both in real terms and as a proportion of national income: in 1982-83 spending in real terms was nearly 10 per cent higher than in 1977-78.

Ashley Ashwood

Mrs Thatcher's problem: radical momentum v constraints

This has not been for want of trying by the Treasury. There have been a series of "cuts" exercises—largely to offset the upward pressures. The Treasury has claimed that the total spending bill for 1982-83 was 3 per cent less in real terms than planned for that year by Labour.

The main reason for the Thatcher Government's overrun has been the impact of the recession on unemployment and social security benefits, on Government employment schemes and on Whitehall support for nationalised industries.

Looked at another way, what is remarkable is how far public expenditure has been held down in view of the pressures resulting, for example, from the rising number of old people. Indeed, attempts to hold down spending on social programmes have involved squeezes all round which, the critics argue, have led to a deteriorating quality of services and has disproportionately hit the poor. The problem has been how to economise while maintaining the basic functions of the welfare state.

The other side of the picture has been taxation. The overall tax burden rose from just under 34 per cent of national income in 1978-79 to nearly 40 per cent in 1982-83. While the basic rate of income tax was cut in 1979 and allowances and thresholds have risen slightly in real terms, this has been more than offset by the abolition of the reduced rate band of income tax and the steady rise in employee national insurance contributions.

Only people on well above average earnings still pay less in direct taxes than in 1979 as the table below shows. Moreover, indirect taxes have also risen sharply.

Despite the rise in the tax burden, the increase in public expenditure has meant that public sector borrowing has been consistently higher than originally planned. On the other hand, borrowing is currently at the lowest level relative to national income since the early 1970s and has been held down much more than in other major industrialised countries.

Indeed, the criticism of the Institute of Directors school miss the point. By comparison with what has been happening abroad and with the reflationary policies proposed by the Labour and Alliance parties the Thatcher Administration *has* been remarkably determined in trying to hold down expenditure.

What ministers have had to recognise — some eagerly and others reluctantly — is the limitations of their room for manoeuvre given the economic facts of life and commitments to the welfare state.

What has changed is the rhetoric, not the aspirations. In her Weekend World television interview earlier this month, Mrs Thatcher said that the objectives remained the same: "We all believe not that Government should dominate people but the Government should serve the people, and part of that is not taking too big a burden of tax."

Yet she was cautious about promising to reduce expenditure and tax to its relative share of 1979. All she could pledge was to "strain" to do so. "A lot of it will depend on circumstances, some within my control, and some outside my control."

That is the language of an experienced minister in office rather than, as before 1979, of an opposition politician. Yet for a crusader like Mrs Thatcher the problem is how to maintain a radical momentum in face of these constraints. One response is to try still harder to hold down expenditure — to improve efficiency in, for example, the National Health Service and the Ministry of Defence. And even if radical options like educational vouchers and compulsory health insurance have been rejected, there is still scope for trimming back spending by modifying entitlements to, say, the state pension scheme.

All this may seem like gradualism but it can make a difference. So even though Mrs Thatcher has been reluctant to make a firm commitment about reducing public spending and taxes back to their relative levels of 1979, the aim is still to hold down spending and cut personal taxation from now onwards.

Moreover, much of the political drive has now shifted from just spending on existing programmes to transferring activities out of the public sector altogether. Indeed, the privatisation programme—and no one has yet devised a better term—obtained a new impetus in 1981 precisely when it became clear that conventional "cuts" exercises were only partially succeeding.

Ministers, who argue that there is not much more to cut on their central functions, are eagerly involved in the four-year programme of privatisation being drawn up by Mr John Moore, the Financial Secretary to the Treasury, and in discussing the ideas of bodies like the Centre for Policy Studies.

Yet privatisation is not a simple process. Cable and Wireless, British Aerospace, Amersham and Britoil may all be sold off without having deep political and economic implications—not least because they all operate in internationally competitive areas. But it is a different matter when it comes to the core public utilities. The problem is how to avoid merely transforming a publicly-owned monopoly into a privately-owned monopoly.

This difficulty has already arisen over British Telecom—even though it operates in a sector where there is some scope for competition—but it will arise even more acutely in the case of the gas and electricity industries. The problems—and disagreements among ministers—about the scope for competition in these industries and how best to regulate them are likely to slow the pace of privatisation.

Overall, Thatcherism has not so much been abandoned as constrained. There is still a desire to rein back the size of the public sector, but the emphasis has altered and is now expressed more in terms of a shift of functions rather than just a reduction in spending totals. The political question is how far this is compatible with the popular commitment to the welfare state and the pressures for maintained, if not higher, standards of service.

After a second term in office the Thatcher Administration may not have substantially reduced the Government's share of the national income — as compared with, say, the 1950s. But it may *significantly* have altered the framework within which these activities are carried out.

## HOW TAXES ROSE ... AND SPENDING CHANGED

Income tax and national insurance contributions as a percentage of gross earnings*

| Married couple with two children | 1978–79 | 1979–80 | 1980–81 | 1981–82 | 1982–83 | 1983–84 |
|---|---|---|---|---|---|---|
| 75% of average | 20.8 | 32.05 | 22.49 | 24.4 | 24.9 | 24.2 |
| Average | 25.2 | 24.6 | 25.8 | 27.6 | 28.1 | 27.7 |
| 500% of average | 49.7 | 41.2 | 42.7 | 44.9 | 44.4 | 43.2 |

*Including child benefit where relevant.

Source: Various parliamentary answers

(cost terms at constant prices, 1978–79 = 100)*

| | 1978–79 | 1979–80 | 1980–81 | 1981–82 | 1982–83 | 1983–84 |
|---|---|---|---|---|---|---|
| March 1980 plan | 100 | 99.6 | 99.6 | 98.7 | 96.5 | 95.8 |
| Outcome | 100 | 101.0 | 103.3 | 105.7 | 107 | 108 |

*Including debt interest.

Sources: figures based on estimates by Mr Terry Ward, specialist adviser to Treasury and Civil Service Committee of the Commons

## Letters to the Editor

### Elgin

*From the Professor of Greek, University of Bristol*

Sir,—National identify is a complex issue, as much a matter of consciousness as of history, but William St Clair's article (January 21) confuses rather than clarifies. It was misleading, to say the least, to quote Byron on the irrelevance of history without going on to quote his next sentence: "The poor Greeks do not so much abound in the good things of this world, as to render even their claims to antiquity an object of envy; it is very cruel, then, in Mr Thornton to disturb them in the possession of all that time has left them; viz their pedigree, of which they are the more tenacious, as it is all they can call their own."

It was misleading too to suggest that all sense of continuity with antiquity was the product of Western influence and "romantic foreigners." Few Greeks were less westernised than General Makryannis, the hero of the Greek war of independence, who taught himself to write "in my old age and to do this crude writing," because he "cannot bear to see the right stifled by the wrong," but it was Makryannis who prevented some of his soldiers from selling ancient statues to Europeans by saying to them: "you must not give away these things, not even for 10,000 talers, you must not let them leave the country: it was for them we fought."

It was an odd mistake for the chairman of the Byron Society to attribute to Byron a story told by his friend Hobhouse, but more relevant that there is no evidence that Hobhouse's "learned Greek of Joannina" was "Western-educated" and nothing could be *less likely*. Of course, the Orthodox Church was ambivalent in its attitude to pagan Greek achievement, but it was the Patriarch of Constantinople who, in 1819, threatened to excommunicate any Orthodox Greek who connived at the *removal of antiquities*, and that as a direct result of Lord Elgin's activities.

As for Lord Elgin, we can agree that Byron's attacks on him were often scurrilous "smears" without shutting our minds to the fact that others, less vitriolic in expression, were equally distressed by what even Elgin's own agent, Lusieri, could call his "barbarisms." Edward Dodwell and E. D. Clarke were both in Athens when Elgin's men were at work and both, collectors of antiquities though they were, have left accounts of their sense of shock and dismay at what they saw.

The best answer to the question your headline poses ("The marbles: how Greek"?) is to be found in the poetry of the great poets of modern Greece, in men such as Seferis, Elytis, Ritsos and Sinopoulos; no one who reads Seferis' poem *Argonauts* from *Mythistorema* can doubt the power of that haunting sense of continuity, and the title of that collection reminds us that in all our attitudes to the past, myth is as potent a force as historical fact. Herodotus would have understood that.

John Gould.
*Department of Classics and Archaelogy,*
*Wills Memorial Building,*
*Queens Road, Bristol.*

### Psephologists

*From Dr W. Grant.*

Sir — Malcolm Rutherford (January 20) should not suppose that British political science is accurately represented by the conference he attended at Essex University. A recurring problem for political scientists is that the "high profile" of psephologists means that their importance in, and contribution to, the discipline is often exaggerated. Most British political scientists have been more interested in what goes on between elections, rather than what happens at them, for over a decade. As for Warwick University, its politics department has, to the best of my knowledge, been better known for hard-edged policy studies than for work which seems to be inspired by Swift's account of "political projectors" in the Grand Academy of Lagado.

(Dr) W. P. Grant,
194, *Rugby Road,*
*Leamington, Warwicks.*

### Derbyshire

*From the Labour leader of Derbyshire County Council*

Sir,—Within the past three weeks, a debate through your columns has ensued about the finances of Derbyshire County Council. Statements have been made by the Leader of the Opposition Group, Councillor Walter Marshall and by Mr *Philip Oppenheim, recently* elected Conservative Member for Amber Valley.

Councillor Marshall refers to the "extravagant" policy of spending £1.5m on a waste disposal site. The figure is £700,000 which represents a reasonable purchase. He says four extra posts were required to run a civic newspaper. The figure is two posts. (The need for a council newspaper was emphasised recently when no reporters were present for a finance committee debate on the Rates Bill, one of the most important issues facing local government.)

Mr Oppenheim attempts to suggest that government grant to Derbyshire County Council has in real terms increased and concludes therefore that rate increases must be the result of overspending.

The Rate Support Grant in 1980/81 was 61 per cent of local authorities' relevant expenditure. In the coming financial year, Rate Support Grant will amount to only 51.9 per cent. Reduction in government grant cost Derbyshire ratepayers £28m in 1983-84 and has cost the council £85m in total over the last five years.

The County Council's rate has increased from 69p in 1978-79 to 156p in 1983-84—an increase of 87p or 126 per cent. The size of rate increases has been largely due to government policy decisions to reduce the percentage of grant and to introduce grant penalties. Had it not been for these factors, rate increases in Derbyshire would have been fractionally over the rate of inflation.

Of the 87p increase in Derbyshire's rate during this five-year period, 40p is due largely to inflation as reflected in government targets. These targets have become increasingly arbitrary and represent the expenditure which Government expects local authorities to incur.

Some 12p of the increase is in excess of the government target, due in part to growth in services; meeting increased demand for services and also to the targets not truly reflecting the extent of inflation, which has meant that an increase in the rate has been necessary simply for us to stand still.

Actions by the county council have put up the rate by 52p, or 75 per cent, which compares with the increase in the retail price index over the same period of 71 per cent.

The remainder of the rate increase during this period, some 35p, is accounted for by the general reduction in government grant (27p) and grant penalties (8p).

On the vexed question of penalties, it is the target figure arbitrarily fixed by Government for each local authority which determines so-called overspending resulting in penalties by loss of grant. Derbyshire finds itself in the penalty zone with the result that this year every £1 spent above target costs ratepayers £2.20 and in the coming year the penalty rate increases sharply.

Ironically, Derbyshire's grant-related expenditure assessment (the GREA) which is the Government's assessment of each authority's need to spend to provide services is £12m more than the target figure fixed for us!

The Government maintains Derbyshire is an overspender and yet says, through the GREA, that we actually need to spend more than the target given to us. The Audit Commission compares Derbyshire with 17 other similar shire counties and concludes that Derbyshire's spending on services in relation to the others is well below average: £340 per head in fact as against the average for the comparison group of authorities of £360.

David Bookbinder,
*County Offices, Matlock.*

### Tradition

*From the chairman of the Coningsby Club.*

Sir,—Eric Fibbens (Letters January 26), might care to note that there is a tradition in the Conservative Party of staying and fighting your corner at times when the predominating view within the Party is not to your liking.

To join the other side would smack of political opportunism which may fit well with Mr Fibbens' political stance but has no place among the principles of the Conservative Party.

Andrew Mitchell.
*18, Riversdale Road, N5.*

### Micros

*From the Procurator, Ampleforth College*

Sir,—On January 3 the Clearing Banks automated their credit transfer system to cut out the labour-intensive manual system used in the past. There does however appear to be a problem in relation to business users who run their payroll on a microcomputer.

BACS will not accept a computer printout from a micro, nor will it accept a 5¼ in floppy disc.

The result of this is that although the Clearing Banks have introduced automation from January 3, their customers, using microcomputers, cannot provide them with the information they require in an acceptable form. National Westminster have devised a semi-automated system called Auto-pay, and the other banks will go on accepting the old labour-intensive manual system!

The problem appears to arise from the fact that BACS have made no provision for accepting 5¼ in floppy discs, and hence the computer manufacturers and software houses have no standard to work to for the future. At this rate automation is a pipe dream.

The present manual system is obviously unacceptable to the Clearing Banks, but although they set up BACS in the first place to help them, they have not insisted on the establishment of an acceptable format for the microcomputer in order to implement the automation they desire.

Michael Phillips.
*York.*

### Aris'

*From Mr P. Clarke.*

Sir,—Excellent as your TV critic, Christopher Dunkley, is, he really must get his Cockney slang right. In his review of Minder on (January 25) he quotes: "Some Richard flauntin' 'er 'Arris round the gaff." It should be Aris' not Arris, as this is a fascinating example of double rhyming slang—Aristotle — bottle — bottle glass — arse.

Peter J. Clarke.
*38 Repton Close, Luton.*

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# Distillers: waking with a hangover

THE SLEEPING giant of the Scotch whisky industry has woken up with a hangover. The symptoms: a major headache over its domestic UK market and a palpable sinking feeling about its product image just about everywhere else in the world.

That giant is The Distillers Company (DCL) which this week unveiled plans for a U.S. acquisition which is expected to cost it at least £250m.

DCL is negotiating to buy Somerset Importers, one of the biggest liquor distributors in the U.S. Somerset owes its position there largely to a long-standing contract with DCL's Johnnie Walker subsidiary, signed in the dying days of the Prohibition era almost 50 years ago.

Half a century later, Johnnie Walker still accounts for 20 per cent of all bottled whisky exports from Scotland and remains one of DCL's most successful brands. But the group as a whole is badly in need of another boost like the one it received in 1934.

The combined effect of a disastrous recession and years of apparent inactivity in the DCL boardroom have left the group trailing its major competitors in the UK and trapped by declining consumption trends for whisky overseas.

With sales becalmed at around the £1bn level since 1979 and pre-tax profits for the year to March widely expected to fall short even of 1979's £181m, the need for remedial action at DCL now looks urgent.

The Somerset move (which may make a welcome impact on trading profits) is not the only sign that DCL may at last be making up to the need for such changes. A new finance director was appointed last year and in September Mr John Connell succeeded Mr Robin Cater as chairman. That same month, the company began a painful six-month reorganisation of its traditional UK marketing arrangements, and in November the Johnnie Walker Red Label brand, withdrawn from the UK in 1977, was relaunched with all the fanfare the company could muster.

DCL's most recent battles outside the UK have been fought against a worldwide switch from "brown" to "white" spirits like gin and vodka. But this battle—in which Seagram's, of the U.S. has just outflanked Gordon's as brand leader in U.S. gin—must be seen in the context of a more general campaign for all the spirits distillers against consumers' growing preference for less alcoholic drinks.

The group's executives must be growing tired by now of unflattering comparisons between DCL and Grand Metropolitan, which started with a very different profile. But this other UK contender for DCL's markets has at least shown the opportunities inherent in changing consumer fashions with the successful introduction of new drinks like Bailey's Irish Cream and Malibu. DCL relies as ever on whisky for 85 per cent of its profits and gin for virtually all the rest.

*Indeed, some of DCL's* senior executives still speak about the group as though it were an officially scheduled historic building, subject to the same kind of rules as the Robert Adam house at 20, St James Square which serves as group head office.

This palatial residence has just been lavishly redecorated, but every colour and carving has had to remain exactly as it was—a fitting symbol, for the company's detractors, of DCL's deep-rooted aversion to change.

The 107-year-old group's intense conservatism was perhaps exposed most cruelly 11 years ago by its calamitous handling of the Thalidomide tragedy. The adverse publicity this generated pushed DCL deeper than ever into its corporate shell.

*In the late 1970s,* the group began to recover its self-confidence. Then the recession caught DCL unawares by its severity leaving it more wrong-footed than any of its major competitors.

The company has a long way to go if it is to reverse this position. Take, for example, the present full-scale domestic reorganisation. With effect from April 1, every brand in the group — from Gordon's gin and Cossack vodka to Haig, White Horse and Johnnie Walker — will hand over its UK marketing and distribution arrangements to two entirely new divisions.

But these moves — more centralisation, less respect for the historical independence of autonomous brands—will come to nothing without far-reaching changes in deeply entrenched attitudes at DCL. Group managers privately admit that the transition over recent months has been "traumatic." Even the DCL Gazette talked last month of the UK reorganisation being received "like news from the dentist, with despondency and anxiety but not with any real surprise."

The UK position is certainly serious: only 8 per cent of DCL's trading profits are derived at home against 32 per cent of its total sales. "If the reorganisation works," says one observer, "other reforms at DCL will look more attractive and more practical. But if it doesn't work, nothing will."

There are, in fact, three principal areas of concern about DCL's future. They are, in ascending importance, the gravity of the group's present predicament, its unwieldy corporate structure and the defensive attitude which seems to prevail among many of its middle and senior managers.

"I do sense there is a feeling deep down in this company that it has to change," says Mr Connell. It would be strange indeed if there were not, for DCL is positively besieged by doom-laden statistics.

Its whisky sales worldwide have collapsed in volume terms by more than 30 per cent in the last four years. This is reflected in a dramatic fall in world market share between 1977 and 1983 from almost a half to little more than a third.

The UK market share of Haig, a decade ago still the UK's leading whisky, has collapsed to about 4 per cent. At least five other brands have a (with about 8 per cent) belongs to DCL and Bell's with 22 per cent is far out in front. Over five years, DCL's total share of the UK market has fallen from 37 per cent to probably less than 20 per cent.

Moreover, DCL now seems bound to be forced back upon its more traditional markets by last year's sudden fall in Third World sales. These have been diligently cultivated since the mid-1970s; their disappearance, particularly in Central and South America, could knock £30m or more off DCL's pre-tax profits in its current year.

There are many who worry that the scale and profusion of these setbacks could yet overwhelm DCL, however resolved the group may now be on setting matters right. Others argue that it could be one of John Connell's greatest assets as chairman that the need for remedial action is now so blatant.

The corporate structure he *has inherited, by contrast, looks* more like a liability. DCL seems so heavily decentralised as positively to invite the criticism that it hardly exists at all, except as a constitutional sovereign body presiding uneasily over a number of fiercely independent corporate fiefdoms.

All its major brands are proud of their autonomy: when their chairmen meet at board level it is like nothing so much as a gathering of the clans. Independent of any tartan colour are the five senior executives on the management committee responsible for co-ordinating group strategy. The workings of this organisation are deliberately kept a mystery to most people outside the group—and to not a few within it.

"Distillers is a fairly closely-run, committee company", acknowledges Mr David Small, head of DCL's Dewar's subsidiary, with dour understatement. Might it not be desirable for DCL to have more autocracy at the top if there are to be disruptive changes ahead? "It would be unusual", comes the candid reply, "for DCL to put anyone new in a position where he was able to make a large number of waves".

Which leads finally to the question of management attitudes within DCL. The proposed acquisition of Somerset Importers is surely an encouraging sign that critical strategic issues are under review. There is no shortage of topics for inclusion in this category: in addition to diversification options and distribution arrangements, for example, DCL still has to decide what to do about its lop-sided profit breakdown. Its seven largest subsidiaries *account for about 95 per cent* of its whisky profits, leaving 27 brands with next to no contribution.

DCL's critics charge that it can derive little benefit from even the shrewdest changes until it has reviewed its whole stance towards the market place. The group has some well-marketed brands to its credit which continue to lead the industry across the world, notably Johnnie Walker, Dewar's and Gordon's gin. But too many of its other subsidiaries show all the initiative of half-aged malts sitting patiently in their casks waiting for time to do its work.

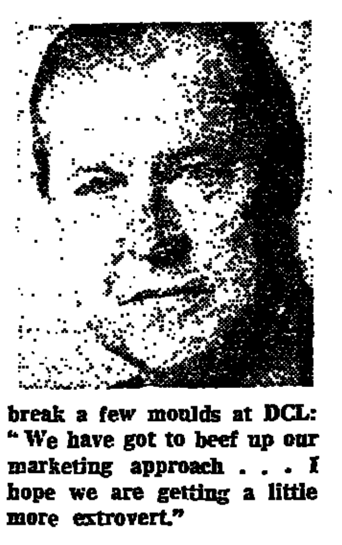
In several instances DCL has been left apparently stranded with medium-priced brands in markets *which have* long since begun to polarise around the two ends of the price range. Nowhere has this been more *disastrous than in the UK.* DCL has tried in vain to reposition its medium brands, notably by relaunching Haig in 1982. But Haig's market share continues to decline while competitors such as Highland Distilleries' Famous Grouse and Lonrho's Whyte and Mackay have doubled their market shares since 1977.

DCL has succeeded with its launch of a new cheap whisky, the Claymore, but its UK competitors seem generally to have mastered rather better the hit-and-miss art of creating new premium brands. Whether by dint of strict pricing strategies, intense lobbying of the on-trade or public house market or careful image promotion in the vital market north of the border, its rivals have all too often been too many steps ahead.

Dewar's intends this April to reward its most successful salesmen from the U.S., its key market, with a weekend in Scotland. It seems rough justice that the chosen venue should be the Gleneagles Hotel, acquired only this week by DCL's arch domestic rival, Arthur Bell—another cruel example, perhaps, of rapid market changes embarrassing a middle management not renowned for its innovative commercial attitudes.

**JOHN CONNELL, its new chairman, joined DCL in 1946 and in most respects looks every inch the perfect company man. His father was chairman of DCL's Tanqueray Gordon subsidiary and his brother David is chairman of Johnnie Walker.**

**Connell himself, whose recreations are golf and shooting, joined the group straight from Oxford. Like most of his senior colleagues, he built his career in just one subsidiary and moved after 25 years with Tanqueray Gordon to join DCL's central management.**



**He is the first chairman with a background in gin rather than whisky and could yet prove the man to break a few moulds at DCL: "We have got to beef up our marketing approach . . . I hope we are getting a little more extrovert."**

# Surprising ABC of success

By Richard Lambert

ACCORDING TO current wisdom, Britain's relative economic decline during the past century should in large measure be blamed on a lack of entrepreneurial flair. Around the 1870s, so the argument goes, all those bewhiskered Bounderbys and Gradgrinds started to become more interested in their country estates than in their iron foundries. While they went huntin' and shootin', dourly determined foreigners began to knock them for six in the international market place.

It's a convenient excuse, and one which until now has been difficult to disprove. British historians have never tended to care much about business, and most views about the role of industrialists in the past seem to be based as much on the novels of Charles Dickens, H. G. Wells and the rest as on reality.

But as from this week, those perceptions may have to change. The first volume of an important new publishing venture, the Dictionary of Business Biography, has thumped on to the book stands. Four more will follow over the next two years, bringing a total of more than 1,000 individual biographies — each averaging about twice the length of this article — of British businessmen active between 1860 and 1980.

The overall objective, says editor David Jeremy, is "to put us into a position to make soundly based generalisations about entrepreneurship in this country over the last 120 years."

## Dignity

The Dictionary is being produced by the London School of Economics Business History Unit, set up five years ago with backing from the private sector and the Social Science Research Council. It has been designed to reflect the relative importance of different sectors of *industry and commerce* within the economy, and to capture key figures in the largest companies.

But size is not the only criterion, and nor is success. Here, for instance, is Samuel Benson—the man who brought a little dignity to the advertising business — while upright Jesse Boot nestles cheek by jowl with Horatio Bottomley, an outright villain.

Among the many enthralling entries is the story of Jab Balfour, building society chi turned banker. It ought to I required reading by those the Department of Trade an Industry who favour the grow of financial conglomerate Jabez turned out to be a mod prisoner at Parkhurst, whe he was both librarian an organist. He died in 1916.

The more general aim, thoug has been to include busines men who made a significant in pact on industry and societ and to assess their contributio in terms of their manageme style, the innovations they e couraged, and the way the companies developed.

## Absence

It is probably too early draw general conclusions on th basis of the 270 entries in th first volume. One strikir feature is the almost comple absence of women. Another *the lack of working cla* heroes: less than a tenth of th entries were born in the lowe social classes—a proportio which apparently match similar findings about America industrialists. So much fo Horatio Alger.

About a fifth of the 270 we to public school, and a thir received some form of high education. Roughly a quart had significant overseas exper *ence, which is a surprising* high proportion. They were n a very mobile lot, howeve Only about a sixth worked fo three or more firms durin their careers.

As for religious backgroun nearly a quarter were no conformists, and there i evidence of a strongly suppo tive network among th Quakers and the Methodist Only 3 per cent were Jew while 1 per cent were Roma Catholic.

The question of gentrificatio is harder to assess. Most c them ended up with nice home in the country, but did no necessarily wash their hands o trade.

If a single volume can pro duce the likes of Plessey's Alle Clark, Eric Bowater the pape king, Metal Box's Rober Barlow, and Tesco's Jack Cohen then the fashionable economist may have to temper their di paraging comments about th performance of Britain's bus nessmen over the past 50 years

*Dictionary of Business Biography Volume 1. A-C. Butterworths. £65.*

# Weekend Brief

## Living with the Official Secrets Act in Cheltenham

The Queen's Hotel in Cheltenham, known as "the most sumptuous and largest hotel in the realm" when it was built in 1838, was buzzing with activity this week as spy fever gripped the usually sleepy town for the second time in less than 18 months.

Civil Service union officials chose the hotel as their headquarters for the dispute now raging over the ban on union membership at the Government Communications Headquarters (GCHQ). They were followed by the massed ranks of the London media.

"Spies," as always, were thin on the ground until a union meeting late on Thursday when about 1,200 of them, looking very much like young Civil Service employees, confronted the Press at a mass meeting addressed by union leaders.

Most people who live in the Cheltenham area probably know at least one person who works at GCHQ, since it has an estimated 7,000 employees. Most of them work at the imposing building on the outskirts of the town, where a series of satellite communications dishes point skyward.

Meetings with "spies" are sometimes socially awkward, since the reply to the mild question "And what do you do?" inevitably brings conversation to an abrupt halt for a few moments while you think of something else to talk about.

Few of the people who work there seem to think that the Official Secrets Act is a social disadvantage, except that they cannot talk about their work. Some will admit they have been to America on business, or to other places abroad, but seldom more than that.

The case of Geoffrey Prime, the GCHQ man who was jailed for 35 years for spying, put the centre firmly on the map from a media point of view in 1982, and the government action this week has served to rekindle interest.

Meanwhile there is a view that many employees will be happy to take the £1,000 offered by the Government in lieu of union membership, in order to do mundane things like recarpeting the house. Union leaders have urged people not to take the "Judas money."

It is clear that the proposed use of polygraph lie detector tests at GCHQ is not popular, and that there will be a back-lash, probably in the form of departures from the establishment. Similarly, some of those who feel strongly about retaining their union membership are expected to leave.

Unemployment is not particularly high in the Cheltenham and Gloucester area, and there are a considerable number of other Civil Service establishments where jobs could probably be found.


John Pennington, national public Servants union, outside GCHQ.

## Branded versus generic cigarettes

When Grand Metropolitan, the UK-based brewing, hotels and leisure group, acquired the Liggett Group for $590m in 1980, the U.S. group's cigarette operations, trading under the Liggett and Myers brand, were anything but blooming.

Over the previous 30 years, the brand's share of the U.S. cigarette market had plunged from around 20 per cent to less than 3 per cent and the industry was just about ready to write-off the Number Six cigarette seller. Liggett, whose other interests include pet foods and soft drinks, had for some time been unsuccessfully trying to sell off its cigarette side.

But since then things have changed — to the extent that Grand Met announced this week that it was negotiating a multi-million dollar sale of the company to its managers. Liggett still ranks Number Six in the U.S. market and sells only one cigarette for every eight sold by market leader Philip Morris — but its market share, sales and profits have all begun to light up.

The key to the North Carolina-based company's rather dramatic turnaround has been its aggressive and highly successful push into the relatively new market for generic—or unbranded—cigarettes, sold in plain white *packets* usually at a hefty 20 cent discount to named brands.

Liggett, which is widely credited with creating the generic market in the U.S. in the past four years, has grabbed the lion's share of the new unbranded market. Its generic cigarettes can be found today in almost all supermarkets and about half of the drug stores in the U.S.

In the year to last September, Liggett's cigarette sales totalled $562m and about half of that was accounted for by generics.

Recently, Liggett has been turning its attention to other specialist sections of the U.S. cigarette market.

Liggett has begun actively to promote some of its older branded cigarettes, which include Chesterfield, L and M, Lark and Eve.

As a result its 13-year-old Eve brand — aimed at women smokers—is now one of the fastest growing brands in the industry. And, still emphasising its *niche* strategy, the company last year began to test-market its new L and M and Dorado brands in Texas and New Mexico—targeted at Hispanic groups.

## A bullish time for Channel 4

THE bulls within commercial television have been pointing this week to the 7 per cent ratings share taken by Channel 4 in the first week of the New Year. Since its opening week in November, 1982 the channel *has pushed above 5 per cent* only once before and has never previously reached its present level so it is a significant milestone on the path towards the 10 per cent which has always been the aim.

The credit is due to *The Far Pavilions,* Goldcrest's $12m mini-series which was televised across the middle of the week and attracted a bigger audience each night: 4.35m on Tuesday, *4.8m on Wednesday, and 4.9m* on Thursday.

However the bears in the system say that if only the series had been shown on ITV which would appear to be its natural home, audiences would have been twice as big and probably bigger. After all, *The Thorn Birds* with a similar Mills and Boon mixture of romance and exotic locations managed to bring in an audi*ence of 11.95m for BBC1.*

Behind this Punch and Judy fight between the mini-series lies a more serious battle and one which is by all accounts beginning to make a lot of BBC people very jumpy. It is now seven months since BBC1 managed to take more than 40 per cent of the ratings. This week's figures show only one BBC programe (*The Two Ronnies*) in the Top 10, and BBC1 has a share of 36 per cent. Fortunately BBC2 with snooker and darts at the top of its list, captured 11 per cent giving the BBC a total of 47 per cent.

The Corporation's difficulty is partly geographical. In *London and the south-east there* are seven BBC programmes in the Top 10 but the further you go from London, the worse the BBC's showing.

BBC lore states that licence fee negotiations with the Government are jeopardised by any regular split worse than 55:45, so these days the rumours about heads rolling are bouncing around the circular corridors of the Television Centre at about the same speed as the greyhounds in the White City stadium next door. Will BBC1 controller Alan Hart return to sport? Will TV managing director Aubrey Singer become chairman of the new cable authority? Your money is probably safest on the dogs.

Contributors:
Lorne Barling
Paul Taylor
Chris Dunkley

# Wholesale Fittings rises to £2.14m at six months

PRE-TAX PROFITS of Wholesale Fittings rose to £2.14m for the six months to October 28 1983, compared with £1.62m, in the face of trading conditions described by the directors as "still difficult."

Liquidity remains strong. The directors are confident that the company, which last year made taxable profits of £3.92m on sales of £30.54m, will continue to make progress.

Earnings per 10p ordinary share in the first half increased from 5.5p to 7.4p after tax £1.12m (£840,000) and the interim dividend is lifted from 1.33p net to 1.55p. Last year's total payment was 5.1p.

After opening a depot at Kingston-upon-Thames recently, this wholesale electrical distributor has 23 outlets. Another depot will open soon at Southampton.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corre-sponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Hallite ............ int. | 3 | April 2 | 4 | — | 11.5 |
| Hayters‡ ............ | 9.13 | — | 8.63 | 11 | 10.5 |
| Robert H. Lowe ........ | Nil | — | 2.6 | Nil | 3.27 |
| Wholesale Fittings... int. | 1.55 | April 6 | 1.33 | — | 5.1 |

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted companies.

### ● comment

WF's first-half profits rise of a third in the face of tough, though improving, trading conditions was well ahead of market expectation. With the performance difficult to fault, the shares jumped 35p to 300p after 310p at one stage during the day. WF is in an enviable position. Its cash position is strong and overheads are under strict control. More importantly, however, the buying and selling sides of the business —its main strengths—are now well positioned in the market place. On the buying side, for example, the large central warehouse supported by a network of regional depots gives plenty of elbow room to effect economies through large and out-of-season purchases and efficient distribution. On the selling side, the company has concentrated on offering a superior level of service, which means it can achieve a higher margin. These factors should ensure continued strong growth, with £5m possible for the full year. Fully taxed, the prospective p/e is over 17 with a yield of under 3 per cent if the dividend record is repeated—a not unreasonable rating given the company's recent impressive performance.

# Hallite midway downturn to £152,000

ALTHOUGH taxable profits were slightly higher at £1.02m for the whole of last year, against £955,000, lower market demand in two important business areas of Hallite together with pressure on margins, has left the figure for the 26 weeks ended October 29 1983, well down at £152,000, compared with £473,000.

Turnover for the half-year of this synthetic rubber and plastic precision seal manufacturer increased from £5.28m to £5.85m.

The directors say that hose sales by Hallite Hilyn fell substantially and resulted in a loss being incurred from that company during the six months.

Action already taken and in hand will improve the situation there for the second half. Turnover of Hallite Seals, in the depressed UK engineering market was also lower, being hit particularly by reduced demand from the mining industry, directors point out.

All overseas companies, with the exception of Ehrco Hallite, the associate in Italy, produced better results in difficult conditions. Following a capital reorganisation in May 1983 the group's holding in Ehrco increased from 33 per cent to 47 per cent at no further cost.

The directors say that the integration of Poppe Rubber Co —acquired last year for £750,000 in shares—is continuing successfully.

The group's order intake in the UK is showing some signs of improvement, but the company feels it is too early to be sure that this trend is firmly based.

In their annual statement last July, the directors said that in the industries served by the group, there was at that time no clear evidence of an upturn in market requirements. Hallite continued to suffer from worldwide recession, they stated, in mechanical engineering and energy related industries, but was well placed to benefit from any improvement in demand for products in the future.

The interim dividend is cut by 1p to 3p net per share—last year's final payment was 7.5p.

Operating profits for the half-year fell by £287,000 to £262,000 and the pre-tax figure is after interest charges, up from £83,000 to £99,000, and associate losses of £11,000 (£7,000 profits).

### ● comment

Hallite's 68 per cent decline in pre-tax profits is almost par for the course in the troubled engineering sector, which only last week saw a startling collapse in earnings at Dowty, another supplier to the mining industry. That means the dividend cut must have been chiefly responsible for sending the shares into a £1.37m free-fall, down 50p to 200p, the level at which General Tire launched its abortive bid two years ago. With its 25 per cent stake in Hallite, the U.S. group has a solid base from which to strike again. Yet the directors certainly do not intend to court renewed advances from that quarter. Neither do they mean to send out alarm signals. Volumes have collapsed at Hilyn and Seals because of depressed demand from the mining and engineering industries, but the rest of the business is keeping its end up. UK orders are showing a slight improvement, and debt is hardly a strain. The reduced payout—which actually cuts the distribution by just £17,000—was merely to avoid declaring an uncovered dividend and raising unwarranted hopes about the current half's trading.

## Wheway Watson

At the AGM of Wheway Watson Holdings, Mr E. R. Jeynes, chairman, confirmed the company would be back into profit in the second half of the current year.

# Neepsend back in the black

AFTER three years of losses totalling £4.56m, Neepsend, engineering, tool and metal production and processing group, came back into the black with £77,000 pre-tax for the six months ended September 30 1983, compared with £620,000 losses.

However, the interim dividend is again omitted, and the directors consider it too early to say whether or not the full year's results will permit a final payment.

They view the second half with cautious optimism.

The directors consider that the restructured group now forms the basis of profitable growth.

First-half sales figure was down from £10.28m to £8.36m, but trading profits were well up at £423,000, against just £7,000. Interest payable was much lower at £346,000, against £637,000, and again there is no tax.

There is, however, an extraordinary debit this time of £318,000 (nil) and earnings per 25p share were 0.57p (4.56p losses).

The improved performance at midway reflects benefits of management action in restructuring the group, the directors state. Unfortunately the company still has substantial costs by way of extraordinary items, they add, arising mainly from the various closures and sales of unprofitable companies.

# Robert H. Lowe reduces losses

SOME REDUCTION in pre-tax losses from £490,000 to £399,000 has been shown by Robert H. Lowe for the year to October 28 1983. The final dividend has been passed, which gives a nil payment for the year compared with 3.265p previously.

Losses per 25p share rose from 2.8p to 10.77p.

The directors say that eradication of loss-making activities and selling down to the use of more modern information and control systems has taken more time and involved greater cost than projected last year.

Turnover of this manufacturer of casual wear, sportswear and children's nightwear was little changed at £8.16m (£8.2m).

Pre-tax profits were struck after interest payments of £41,000 (£44,000). There were reduced tax credits of £59,000 (£404,000) and extraordinary debits increased sharply from £91,000 to £492,000. The attributable deficit emerged up from £177,000 to £832,000.

Extraordinary items are rationalisation expenses relating to the curtailment of the transfer printing business, and the redundancies and reorganisation costs associated with implementing group strategy of concentrating resources in areas with the greatest profit potential. Plant write off was also required because of past depreciation policies.

## COMPANY NEWS IN BRIEF

After three years in the red, S. W. Wood Group made pre-tax profits of £150,000 for the six months to September 30 1983 compared with a loss of £313,000.

The directors of this non-ferrous metal merchant, processor and smelter attribute the improvement to a better trading climate and steps taken in the recession to contract activities.

However, they add, gearing remains high and there is a need to repay borrowings. There is, therefore, no interim dividend. All payments were passed in the previous two years.

Turnover for the first half was up at £8.12m, against £6.03m, and there was a trading profit of £248,000 (£182,000 loss). Interest took £98,000 (£121,000) and there was no extraordinary debit (£63,000). Earnings per 20p share were 2.6p, compared with a 5.4p loss.

* * *

With most of the profit coming from the associate's share, taxable surplus of USM company Flextech advanced from £718,000 to £836,000 for the six months ended November 30 1983.

The share of associate's profits amounted to £538,000, compared with £629,000, the fall being blamed on Expro's downturn during the year. This company's contribution was £251,000 against £406,000.

The other associate, Coflexip, contributed £332,000, compared with £223,000 previously.

The directors say it is too early to forecast the group's full year's profits, particularly on account of uncertainty concerning the results of Coflexip in the second half of the year—the company has had to make provisions against a contract and undertakings since Flextech's prospectus last September.

Tax charge for the group was higher at £383,000 (£245,000) and earnings per 10p share are shown as 2.95p on increased capital (5.4p).

* * *

Grass cutting machine manufacturer, Hayters, showed a decline in pre-tax profits from £759,000 to £596,000 for the year to the end of September 1983. This was despite an upturn in second half profits from £289,000 to £347,000.

Turnover expanded from £5.45m to £7.22m.

The net final dividend has been lifted from 5.625p to 9.125p, which gives a higher total of 11p (10.5p). Earnings per £1 share of this Unlisted Securities Market stock came to 19.2p (20.8p).

* * *

Pre-tax profits of £1,600 against losses of £32,300 have been shown by Diamond Stylus for the first six months to the end of September 1983. Turnover of this manufacturer of diamond-tipped gramophone styli increased from £636,300 to £850,900.

In the second half of last year pre-tax profits were £107,700 to leave full year profits at £75,400. Tax for the six months took £6,400 (nil) leaving a reduced attributable deficit of £4,900 (£372,200).

The company is 29.6 per cent held by Katy Industries Inc.

* * *

Pre-tax profits of William Dawson (Holdings) grew from £2.28m to £2.4m for the year to the end of September 1983. Turnover of this unquoted company, which is engaged in international journal subscription services, increased from £22.9m to £25.95m.

Earnings per 10p share are shown as 37p (34.85p). A final dividend of 4.8p net raises the total from 6p to 6.6p.

The directors say they are currently budgeting for some advance in group profits.

* * *

Charterhouse Petroleum received acceptances in respect of 99.4 per cent of the 43,644,107 new ordinary shares offered by way of rights.

Fully paid allotment letters are renounceable up to 3 pm on February 10.

* * *

Mr Ronald G. Hooker, chairman, of Dubilier said at the AGM that with order books at record levels and strong demand in the U.S., the current year had started well and progress achieved in the second half of 1983 was being maintained.

He said he was confident that the 1984 half-year results would comfortably exceed those of the first half last year.

# Results due next week

Reed International's third quarter tends to be seasonally strong, particularly in the packaging and consumer publication businesses. But the results for the nine months to end-December, due out on Tuesday, should also show marked gains from businesses where Reed has been vigorously expanding, like U.S. technical magazines. In the UK, publishing profits should be assisted by the absence of Odhams' losses and buoyant Christmas demand for consumer magazines. Elsewhere, loss elimination will also help to bring an improved performance from decorative products, while building products in the UK should continue the useful increase they showed at the half-way stage. Analysts are expecting around £22m pre-tax for the quarter, which will bring the first nine months to £61.2m against £40m.

Analysts are braced for lots of bad news from John Brown the troubled engineering group, and they are likely to get it when results for the six months to September 30 are published on Tuesday. Since Sir John Cuckney took over from Sir John Mayhew-Sanders as chairman last July, the board has developed a new corporate plan, and the group is expected to announce its withdrawal from a few business areas, such as machine tools. The impact of the write-offs on the already stretched balance sheet could be considerable. The interim figures are unlikely to provide much evidence that John Brown can now trade out of its difficulties, but it seems that bank support is secure.

City forecasters generally find commodities group S & W Berisford a tough nut to crack, if only because the management makes a practice of being tight-lipped about its progress. On the full-year figures to end September, due on Tuesday, there is particular uncertainty about the scale of second half losses from U.S. tubing subsidiary Erlanger. After a first half pre-tax loss of £14m, Erlanger's full-year deficit might be around £20m. Results will benefit from the first full year inclusion of the British Sugar acquisition, but underlying profits from this subsidiary should be fairly flat. Expectations for group pre-tax profits are fairly widely spread, but centre around the £70m mark. There is still nervousness about the prospects of a rights issue, given balance sheet gearing of over 100 per cent.

Allied Tetxile is expected to report tentative signs of recovery in its overseas markets for high quality woven wool goods when it produces its results for the year to September 30 on Tuesday. The group has been concentrating more on supplying fabrics to the office furnishing and automotive industries, which have also been seen as growth areas. Allied has never been too adventurous with its £16m cash resources, so any increase in investment income—which accounted for 26 per cent of interim profits—is likely to be modest. On that basis, the City is looking for £3.5m pre-tax, against last year's £3.2m, with a few optimists forecasting a 10 per cent increase on 1983's final payment of 4.42p net.

Property group Stock Conversion has a record of fairly modest growth and next Monday's interim figures to end-September are expected to continue the tradition. Little has been happening on the development front lately, and revenue growth should come primarily from recent reviews at Tribute House, Moorgate, and at an office block in Dublin. The figures will not reflect the recent acquisition of the White City stadium, since the deal will only be finalised later this year. Forecasts cluster narrowly around £7.2m pre-tax, against last year's £6.5m.

| Company | Announcement due | Dividend (p)* Last year Int. | Final | This year Int. |
|---|---|---|---|---|
| **FINAL DIVIDENDS** | | | | |
| Allied Textiles Companies | Tuesday | 2.82 | 4.42 | 2.82 |
| Associated Fisheries | Wednesday | 0.25 | 2.0 | 0.25 |
| Berisford, S & W. | Tuesday | 3.0 | 6.0 | 3.0 |
| Blundell-Permaglaze Holdings | Thursday | 1.6 | 4.4 | 1.6 |
| IDC Group | Tuesday | 1.464 | 4.658 | 1.61 |
| Kellock Trust | Wednesday | — | 0.43 | — |
| M. & G. Dual Trust | Wednesday | 9.4 | 12.35 | 10.0 |
| Newman Tonks | Monday | 1.65 | 3.45‡ | — |
| Prestige Group | Tuesday | 2.5 | 4.375 | 2.5 |
| Rue Estates Holdings | Monday | — | 4.0 | — |
| Securigard Group | Tuesday | — | — | — |
| Television South | Monday | — | — | — |
| Widney | Tuesday | — | — | — |
| Xerox Corporation | Tuesday† | 0.75 | 0.75 | 0.75 |
| **INTERIM DIVIDENDS** | | | | |
| Brown, John | Tuesday | — | — | |
| Cantors | Tuesday | — | | 1.5 |
| *Christie-Tyler* | Thursday | — | — | |
| Cowan, de Groot | Tuesday | 1.0 | 1.0 | |
| Dura Mill | Friday | — | 0.6 | |
| Equipu | Tuesday | 1.2 | 2.2 | |
| Harvey & Thompson | Wednesday | 0.7 | 0.7 | |
| Kinta Kellas Rubber Estates | Thursday | 1.5 | 3.5 | |
| LDN Group | Wednesday | — | — | |
| Malaysia Rubber Company | Thursday | 1.0 | 3.5 | |
| *Mid Wynd International* | *Friday* | *0.8* | *1.0* | |
| Nova (Jersey) Knit | Monday | 2.5 | 1.5 | |
| Palmerston Investment Trust | Tuesday | 1.0 | 1.5 | |
| Stock Conversion and Investment Trust | Monday | 1.75 | 3.0 | |
| Textured Jersey | Monday | 1.75 | 2.25 | |
| Vibroplant | Monday | 2.625 | 4.6375 | |
| **INTERIM FIGURES** | | | | |
| FAI Insurances | Wednesday | — | — | |
| *Mezzanine Capital Corporation* | Tuesday | — | — | |

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † In cents. ‡ 15 months to October 31.

# Bell not home and dry yet in Gleneagles bid

Arthur Bell, the Scotch whisky distiller, was not looking entirely home and dry with its bid for Gleneagles, which values the company at £27m, although Bell has control of 52.24 per cent of the shares.

The directors of Gleneagles were yesterday advising their remaining shareholders to take no action, ahead of a board meeting they are planning for tomorrow in Edinburgh.

Two institutional shareholders in Gleneagles were making it clear yesterday that they were not accepting Bell's offer until they had heard more from Gleneagles' directors.

At Legal & General, which has a 3.11 per cent stake, a spokesman said "we do not really understand why some shareholders have accepted at this stage without hearing the full defence from the Gleneagles directors. It seems unusual to accept in such a rush well before the closing date. We have had no chance to study the second bid and are a little concerned that some of the decision has been taken away from us."

He added that "what we will do is wait until we hear from the board on the asset value and get some indication of the 1984 profits forecast."

A second institutional shareholder said he had hoped, "but latterly it had become a forlorn hope, that Bell would increase to such a level that the Gleneagles directors would recommend acceptance."

He suggested that Bell had acquired the acceptances and promises disclosed on January 26, through a selective approach designed to pick off the weaker shareholders.

The offer had not been made to his institution and he was a little unhappy about the latter developments.

For the moment they were sitting and doing nothing until they heard from the board. "There is still more information we would like to see."

# Maynards offer declared 'final'

Mr Lewis E. Cartier has announced that the 250p cash ordinary offer and the 100p preference offers for Maynards are final and will not be increased. The offers have been extended until February 2.

Mr Cartier has approached the Maynards board on two occasions in order to obtain information which might enable him to increase his offers. He also expressed his willingness to make a full recommended cash offer for all the ordinary shares. On both occasions the directors declined to enter into discussions.

Mr Cartier is concerned that there may be "substantial overstocking" in Maynards particularly in the Zodiac division. He is also concerned that the directors have entered into arrangements to dispose of a large number of the CTN units on a "piecemeal" basis and that this could leave CTN units with large associated redundancy and closure costs.

In the absence of the directors being prepared to provide Mr Cartier with further information and to enter into constructive discussions, he sees no justification either to increase or to change his offers which are now final.

Acceptances have been received for 68,047 ordinary (1.39 per cent). Acceptances of the preference offer have been received for 18,620 (32.95 per cent) shares.

On December 16 Mr Cartier held 25,000 ordinary in Maynards (0.5 per cent).

Barings, acting for Maynards, later denied a suggestion that Mr Cartier had been asked to make a full bid for the company. Cartier later confirmed that Maynards had not asked him to make a full

# Miller may receive counter offer

BY RAY MAUGHAN

F. Miller (Textiles) may be about to receive a counter offer to compete with the all equity bid from Nottingham Manufacturing.

The substance of any alternative proposals will not be known until early next week. But the Marks & Spencer supplier told its Stock Exchange shareholders yesterday that Grieg Middleton, the firm which resigned as broker to the group shortly after the Nottingham bid was launched, has been talking to certain of Miller's shareholders and "alternative proposals may be formulated which would affect the future of Miller and its direction."

The bid already on the table, which comprises one Nottingham share for every six shares in Miller, has been supported by the Miller board in respect of 17.4 per cent of the votes. By the first closing date, Nottingham was able to speak for 21.67 per cent of the equity and, extending the bid by two weeks until February 2, Nottingham stated that the terms would not be improved.

Grieg Middleton has consistently fought for better conditions, arguing that Miller has recorded better profits each year for at least a decade. Despite Miller's recent admission of a sudden, significant and long-term deterioration of trading conditions, the firm resigned as joint broker to discuss the bid with various groups of Miller's shareholders.

Vickers da Costa, the other broker, has remained with Miller but has indicated that the bid should be resisted at least through its initial stages.

# Helical Bar and Highgate shares suspended

THE SHARES of Helical Bar, steel stockholder, and Highgate Optical, optical and photographic equipment distributor, were suspended from trading on the Stock Exchange yesterday at the companies' request.

Both companies said they had called in their auditors to review aspects of their finances. This followed an announcement by Helical on Thursday that it had discovered the misappropriation of £150,000 of company funds.

Six members of the board of Exent Engineering, who have sat on the board of Helical for the past two months, resigned on Thursday. Mr Rod Tringham, who had been appointed Helical chairman, said he and the other new directors had forgotten to buy the 400 Helical shares apiece needed for them to become board members. Exent has a 51 per cent stake in Helical.

Helical said yesterday it had asked its auditors Thornton Baker & Company to investigate the misappropriation of the order of £150,000 of the group's funds. Helical is taking advice from its lawyer in connection with the misappropriation, it added.

Helical proposed a further statement once the investigation is completed and said the group meanwhile continues to trade normally with the support of its bankers.

Highgate Optical, in which Exent has a 61 per cent stake, said it has asked its auditors, Dixon Wilson & Company, to investigate inter-company debts between Exent and Highgate.

Highgate also announced that Mr Peter Reynolds and Mr C. Gervaisse Brazier had joined its board while Dr V. M. Tringham and Mr Rod Tringham had left.

Helical's shares were suspended at 43p after falling 25p on Thursday while Highgate was at 50p. On Thursday it fell 25p to 45p.

# Wimpey in £4.2m deal with Stock Conversion

The Stock Conversion and Investment Trust has bought the 33½ per cent interest held by Wimpey Property Holdings in Craigielea Investments and Shaftward Investments for £4.2m cash. Both Craigielea and Shaftward are now wholly-owned.

Craigielea Investments owns the freehold property 79-93, Wigmore Street and the long leasehold properties ACC House, Great Cumberland Place and 48-49, Haymarket, 130, Jermyn Street in the west end of London. Shaftward Investments owns substantially the whole of the island site bounded by Shaftesbury Avenue, Wardour Street, Gerrard Street and Macclesfield Street and other properties nearby.

As a result of these transactions, minority interests of £6.26m in the accounts to the end of March 1983, will be eliminated and will result in an addition to net assets of about 4.2p per share.

See Lex

# BICC £5.66m Malaysian sale

BICC has agreed to sell for cash its entire shareholding of 8.1m shares in its subsidiary, Malayan Cables Berhad, to Hong Leong Industries and Mr Shamsuddin Abdul Kadir and Dato' T. Tharumagnanam for M$18.6m (£5.66m). The agreement is subject to approval of Malaysian Government.

## Munton Brothers

Munton Brothers has placed its 29.5 per cent holding (1.13m ordinary shares) in John Beales Associated Companies with institutional investors.

## Extel Group

Extel Group intends to acquire the minority interests in its U.S. and UK computer subsidiaries, Digital Microsystems Inc. and Digital Microsystems Limited (DMS), with effect from April 1. The consideration will be calculated according to an agreed formula related to the audited profits of DMS.

## MINING NEWS

# Marinduque ceases nickel production

THE FINANCIALLY-TROUBLED Marinduque Mining and Industrial has closed its nickel plant in the central Philippines because it has no capital to fund further operations. The plant, at Nonoc in Surigao, was shut down last month, and will remain closed until fresh funds are available, Marinduque said.

The latest closure follows the recent suspension of operations at the company's Sipalay copper mining facility because of a similar lack of funds.

Marinduque has outstanding debts of Pesos 15.5bn (£800m), much of it raised from foreign creditors in the late 1960s to finance its ambitious plans to produce nickel. The bulk of these debts has been assumed by the Development Bank of the Philippines and the Philippine National Bank, from whom the company is now seeking fresh funds in order to resume operations.

The two banks are also working on a financial rescue package which would enable Marinduque to restructure its huge debts and continue to operate.

The Cabarrus family, which originally set up the company, was recently replaced by a new top management team.

# Seltrust hits shallow gold at Wagga Wagga

BY KENNETH MARSTON, MINING EDITOR

SOME much-needed cheering news comes from Seltrust Holdings, the struggling Australian mining subsidiary of the British Petroleum group. Drilling by Seltrust at its 67.5 per cent-owned Temora gold prospect near Wagga Wagga in New South Wales has encountered some promising near-surface results.

They come from 26 rotary percussion drillholes which have intersected gold mineralisation from surface down to 114 metres. Some of the widths are impressive, notably hole TPS which cut 69 metres of mineralisation from surface and assayed a good 7.4 grammes gold per tonne.

Other values were much lower, but the widths (thicknesses) were large and the picture was of an average grade of around an acceptable 3 grammes. Seltrust says, cautiously, that drilling required to assess the commercial significance of the mineralisation is continuing.

The vital factor is the size of the deposit and this is not known at the moment. All that is known is that the drilling results are promising and the find could have the makings of an open-pit operation, with the advantage of being in an area well served with the necessary infrastructure which includes water supplies.

Shares of Seltrust Holdings jumped 9p on Thursday and gained a further 3p to 70p yesterday.

# Middle Wits advances

HALF-YEAR earnings of Middle Witwatersrand (Western Areas), the mining finance subsidiary of South Africa's Anglovaal group have risen to R3.97m (£2.38m), or 61.7 cents per share, from R5.38m in the same period of last year.

At December 31, the market value of quoted investments was R241.3m (R253.5m at end-1982) while the book value of unlisted investments was R2.43m (R1.5m).

# Dam approval puts Ok Tedi back on course

THE GOVERNMENT of Papua New Guinea has now approved a scheme for a temporary tailings (mine waste) dam at the site of the A$1.6bn (£1.04bn) Ok Tedi gold and copper prospect in the Star Mountains of western Papua New Guinea, near the border with Indonesia.

The importance of this decision, taken in the face of environmental worries, is that it confirms hopes of a production start in May of this year.

Earlier this month a huge landslide of mud inundated the site chosen for a permanent dam.

Ok Tedi can now go ahead with the use of a temporary dam pending the construction of permanent mine waste disposal facilities by the end of 1985.

Initial production at the big open-pit operation will be concentrated on the gold cap on the deposit, which is at Mount Fubilan, and will be followed by a second stage of mining both copper and gold ore about two years later.

Partners in Ok Tedi are: Broken Hill Proprietary (30 per cent), Amoco Minerals (30 per cent), the PNG Government (20 per cent) and the Kupferexplorationgesellschaft consortium of West German metal companies (20 per cent).

# Winding-up orders against 169 companies

COMPULSORY winding up orders against 169 companies were made in the High Court. They were:

Services for the Protection of Travellers, Rosslyn, Christal Leasing and Finance, Denver Homes, Sheringlea, B.C.R. (Shop and Office Equipment), Michael Tom, Suavecrest and Wilbraham Estates.

Larkstrike, Sun Ray Manufacturing, Devray Design Services, T & B Storage and Distribution Services, Ageland, Nelson and Sons (Security), Lascar, Wodeham Garages (West) and Armagate.

Bowray Products (Import-Export), Cowplain Newsagency, Clarios Catering Company, Vins De Bordeaux, Health Care Periodicals, Crowrange, Wilfayre and Jaymix Tool Hire.

West London Papers, Countrywide Properties (Southern), A. Smith and Sons (Woking), Darlington's Ex-Services Club, The Rumney Concrete Company, Abbott Erection and Maintenance Services, Camp Anglo Manufacturing and Fergate.

Mopcrest, Bentley and White-head Fibres (1981), Quietport, Partridge Rushton Associates, Fotojoy, Graynush Properties, G.T. Services, Hockvale and Matosale Travel.

Arkel Electronics, Alcoran Recordings, Driveglow, Gems International (UK), Freeman Enterprises, Craftrion, Barnfyle, Bandow, CIA "The Insulation People," Hell and Eagle Fashions.

Jojoba International (UK), Multiwing, R.A.M. Electro-Acoustics, Finmarel, Durnford, Maintmain, Everilda, Bourgeois Boutique Wear and Ace (Kosher) Caterers.

Peach River Records, Sackville Press Billericay, Cirtronics, The Graphic Connection (Litho) and S.P.Q. Minerals.

Britannia Fine Art Editions, Grosvenor Computers, Dado Kitchens, Lunar Trading Company, Edgwick Realisation, Fieldance, CMH Printers (Holyhead), Econoprint Print Centres and Izzo-Hahn.

Wighill Foods, Gencold Refrigeration, F.C.L. Communications, Personal Protection and Security Systems, J. T. Leach and Co., Kapoorsons and West Yorkshire Developments.

Brealey Freight Services, Fairprice Sports, Maenex Construction Company, Drysgol Properties, Durdham Properties, Fritz Sykora, Globe Car Sales, M. Ramis Fashions and S. Verity.

Slateglen, Sportdata, Tellingcroft, Jim Marsh Construction, Markwood Builders, Blushes, Edenseed, Whitehead Evans (Consultants), The Sealand Garden City Social Club, Bamberkarn, Brantford and Trainmead.

Stars Wine Bar, Westvale (Eastcote) Builders, Meritbuy, Kent and Greatrex, Classic Clocks (Clerkenwell), Mistgrange, D.P.G. Risso, Cittone, Friendfield, Old Skelton Social Club and Institute, Loftbrook, John Johnston and Co. and Interdyne.

Fourth World Fashions, Doyleberry, Sedgepoint, Berrington Transport Services, G. A. Shephard, J. R. Fance (Haulage), Pontardawe Transport Services, Potters Oils and Regal Roadways (Wolverhampton).

Silver Dream Tours, Damar Cards, B.M.G. Engineering, Farmer Gold, Southlands Credit Control, Robert Webb Printing, Peercare and S. Protheroe and Son.

Doughty Webb and Co., Bushells Haulage Company, Avondale Engineering (Kettering), A. & L. Motors (Bishop Auckland), D.G.C. (Haulage), Gemini Fashions, Hampton Motor Company and Cooden Property Holdings.

Verson Honeywood Poulterers, Microcomputers For Business, Europlas (Reading), Amida Computer Supplies, K & N Cameras, Etherwest, Metro Express Builders, Testfold and Shapes and Drapes.

Hilo Technology, Sminvest Properties, D & D Enterprises, Vami, Beam Auto Service, Gauntweb, Battleloom and Rivalford.

Davidson MacGregor and Co., Kenilcroft, Jameday, N.K.T.S., Hutton Court, ST Commercial Systems, The Dutch Communication Company, [illegible] Engineering and Saurex Location.

# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and deals

Royal Dutch/Shell launched a $55 per share offer worth £3.7bn for the remaining 30 per cent of its U.S. affiliate, Shell Oil. RD/Shell feels that its major Shell operating company should be wholly owned. If the offer succeeds, Shell will be free to operate without any possible inhibitions arising from a minority interest.

Harris Queensway formerly launched its 325p per share bid worth £35m for shoe retailers Stylo despite opposition from Stylo's controlling Ziff family. The bidder claims to have the support of holders of more than 30 per cent of the Ordinary shares in addition to the 5.1 per cent it already owns. However, Harris which is also offering 450p cash for each management share still needs the support of at least one member of the Ziff family if its bid is to succeed because of Stylo's two tier voting structure; Stylo's management shares account for 4.6 per cent of the equity and carry 43.5 per cent of the votes.

Two Marks and Spencer suppliers are also locked in a bid battle. Avana launched a £17m bid for confectioners Bassett Foods, but the offer was immediately rejected as "unsolicited and unwelcome." Avana is offering two of its own shares for every seven Bassett, valuing the latter at around 145p per share.

Vinten, the military reconnaissance systems manufacturer, made an agreed £5m share exchange offer for Standard Industrial, the loss-making data recording equipment and camera maker. Terms are 35 Vinten shares for 200 Standard Industrial, valuing Standard at just over 48p per share. Vinten has already received acceptances in respect of over 30 per cent of the equity.

The largest of the UK's nine discount houses, Gerrard and National, announced that it is engaged in discussions with an unnamed party which may lead to an offer for the company. Gerrard emphasised that talks are at an early stage. Mercantile House, the financial services group, disclosed that it had already talked with Gerrard and other financial services organisations about a possible merger.

Whisky distillers Arthur Bell appears to have won control of Gleneagles, the privately-owned Scottish hotel group, following an improved share-exchange bid of 190 Bell for every 100 Gleneagles valuing the latter at £27m. Bell's revised offer has received irrevocable acceptances from shareholders accounting for 22.63 per cent of the Gleneagles' shares. Together with the 29.41 per cent already owned by Bell, this gives it control of 52.24 per cent of the company.

| Company bid for | Value of bid per share** | Market price** | Price before bid | Value of bid £m's** | Bidder |
|---|---|---|---|---|---|
| Prices in pence unless otherwise indicated. | | | | | |
| Astro Needles | 60* | 78 | 43 | 2.56 | Newell Frnshngs |
| Allnatt Lon Props | 248‡ | 247 | 220 | 86.00 | Slough Estates |
| Assoc Leisure | 152§§ | 147 | 150 | 42.12 | Pleasurama |
| Ault & Wiborg | 46* | 43 | 33†† | 4.70 | Sun Chemical |
| Bassett Foods | 146 | 160 | 99 | 17.63 | Avana |
| Candecca Res | 196 | 193 | 185* | 76.82 | Trafalgar House |
| Danish Bacon 'A' | 115* | 100 | 110 | 1.98 | Ess-Food |
| Edith | 57* | 58 | 47 | 55.95 | Invs in Industry |
| Francis Parker§ | 50* | 49 | 52 | 12.88 | Tarmac Rdstone |
| Guildhall Prop | 162† | 163 | 132 | 0.99 | Slough Estates |
| Ingram (H.) | 65*§ | 408 | 50 | 1.02 | Wasskon |
| Int Paint | 240§ | 225 | 162 | 21.58 | Courtaulds |
| London Brick | 150‡‡ | 163 | 104 | 212.00 | Hanson Trust |
| Maynards | 250*§ | 245 | 198 | 6.34 | Lewis E. Cartier |
| Miller (F.) | 37½ | 45 | 42 | 5.40 | Nottingham Mnfg |
| Rosedimond Inc | 56 | 55 | 50 | 3.35 | English Assocn |
| Rosedimond Cap | 236 | 215 | 185 | 6.28 | English Assocn |
| Standard Ind | 47 | 44½ | 35 | 3.64 | Vinten |
| Stenhouse§ | 148§‡§ | 134 | 106 | 55.61 | Reed Stenhse 'A' |
| Stylo | 325* | 330 | 311 | 32.38 | Harris Queensway |

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on 27/1/84. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

## Scrip Issues

Hambros Investment Trust—Scrip issue of one warrant for every ten shares held.

Lookers—One for one scrip issue proposed.

## Rights Issue

Greenwich Cable Communications—Rights issue of 2.5m shares on a one for one basis to raise £1.18m.

## PRELIMINARY RESULTS

| Company | Year to | Pre-tax profit (£000) | | Earnings* per share (p) | | Dividends* per share (p) | |
|---|---|---|---|---|---|---|---|
| Alexanders Disc | Dec | 2,250 | (3,000) | — | (—) | 22.0 | (20.0) |
| Bootham Eng | Oct | 26 | (106) | — | (—) | 3.0 | (6.0) |
| Bowring, C. T. | Dec | 27,700 | (19,600) | — | (—) | — | (—) |
| Brooke Tool Eng | Sept | 524 | (353) | — | (—) | — | (—) |
| Bulldough | Oct | 6,660 | (5,460) | 22.9 | (17.3) | 8.4 | (6.75) |
| FNFC | Oct | 11,430 | (15,200) | 9.8 | (12.5) | — | (—) |
| Gestetner | Nov | 6,860 | (3,090)L | — | (—) | 1.32 | (1.32) |
| Glass Glover | Sept | 1,530 | (1,250) | 12.6 | (10.6) | 3.13 | (3.0) |
| Greenwich Cable | August | 351L | (—) | — | (—) | — | (—) |
| Henlys | Oct | 1,290L | (3,470)L | — | (—) | 0.1 | (0.1) |
| Hill and Smith | Sept | 1,010 | (1,080) | 7.7 | (7.9) | 2.5 | (2.27) |
| I of Man Steam | Dec | 395 | (184)L | — | (—) | 8.0 | (2.5) |
| KLP Group | Sept | 548 | (408) | 6.5 | (4.7) | 1.6 | (—) |
| Lookers | Sept | 1,410 | (873) | 16.2 | (14.8) | 4.0 | (3.85) |
| Meggitt Hldgs | Oct | 181L | (379)L | — | (—) | — | (—) |
| Microgen | Oct | 926 | (589) | 14.8 | (12.1) | 6.0 | (—) |
| Piccadilly Radio | Sept | 501 | (449) | — | (—) | 3.0 | (7.5) |
| Pratt, F. | Oct | 257L | (1,540)L | — | (—) | — | (—) |
| Rank Organisation | Oct | 69,300 | (62,000) | 14.3 | (13.2) | 10.0 | (8.0) |
| Rank Prec | Oct | 38,130 | (37,430) | — | (—) | — | (—) |
| Union Disc | Dec | 6,120 | (5,250) | — | (—) | 34.0 | (31.0) |
| Vantage Secs | Dec | 40 | (37) | 1.3 | (1.2) | 1.2 | (1.1) |
| Warner Estate | Sept | 2,500 | (2,100) | 13.9 | (9.5) | 11.0 | (9.0) |
| Whatlings | Sept | 707 | (693) | 16.4 | (15.3) | 3.0 | (2.5) |
| Willoughbys | Sept | 790 | (594) | 19.6 | (14.3) | 10.0 | (3.35) |

## Offers for sale, placings and introductions

Associated Energy Services—Placing 1.4m shares on USM to raise £326,000.

E-Systems—Seeking a listing on the London Stock Exchange.

Microgen—To seek full listing.

Oy Wartsila AB—Seeking listing in London later this year.

Redland—Issuing $75m of commercial stock in New York.

Unibond—Coming to USM via placing of 2.35m shares at 105p.

Xyllyx—Coming to USM.

## INTERIM STATEMENTS

| Company | Half-year to | Pre-tax profit (£000) | | Interim dividends* per share (p) | |
|---|---|---|---|---|---|
| Abbey | Oct† | 1,370 | (1,120) | — | (1.4) |
| Allen, W. G. | Sept | 424L | (205)L | — | (—) |
| Aran Energy | Sept† | 379 | (287) | — | (—) |
| Bevan, D. F. | Sept | 127 | (144)L | 0.25 | (—) |
| Brasway | Oct | 185 | (3) | 0.75 | (1.0) |
| Brett, Andre de | Sept | 204 | (407) | 1.0 | (1.0) |
| Cal Ass Cin | Sept | 344 | (283) | 2.0 | (2.0) |
| Courts Furnishers | Sept | 2,820 | (2,214) | 1.75 | (1.75) |
| Davy Corp | Sept | 3,030 | (3,050) | 1.1 | (1.1) |
| Dom Holdings | Sept | 602 | (501) | 1.73 | (1.4) |
| DPCE | Dec | 518 | (459) | 0.7 | (—) |
| Haynes Publish | Nov | 417 | (500) | 3.5 | (3.5) |
| Hillards | Nov | 3,360 | (2,808) | 1.45 | (1.2) |
| Home Farm Prod | Nov | 510 | (550) | 1.15 | (1.15) |
| Imry Property | Sept | 963 | (872) | 1.6 | (1.4) |
| McCarthy Pharm | Oct | 1,850 | (1,670) | 2.0 | (2.0) |
| Mckay Secs | Sept | 1,090 | (883) | 1.9 | (1.65) |
| McLeod Russell | Sept | 4,940 | (1,570) | 3.5 | (—) |
| Mercantile House | Oct | 30,470 | (13,060) | 3.75 | (2.5) |
| Newmark, Louis | Oct | 587 | (610) | 4.5 | (4.5) |
| Park Food Group | Sept | 1,410L | (1,440)L | 1.0 | (—) |
| Ports & Sund Nws | Dec§ | 1,490 | (2,490) | — | (—) |
| Priest, B. | Sept | 160L | (324)L | — | (—) |
| Saville Gordon, J. | Oct | 504 | (159) | 1.1 | (1.0) |
| SEET | Oct | 589 | (269) | 1.1 | (1.0) |
| Sheldon Jones | Nov | 308 | (303) | — | (—) |
| Somerville, W. | Nov | 272 | (47) | 0.55 | (0.55) |
| Somportex | Oct | 468 | (107) | — | (—) |
| Star Computer | Oct | 320 | (232) | — | (—) |
| Stirling Group | Sept | 694 | (549) | 0.7 | (0.5) |
| Trent Holdings | Sept | 159 | (152) | 0.35 | (0.28) |
| Walker, Alfred | Oct | 30 | (30) | — | (—) |

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share except where otherwise stated. † Figures for nine months. ‡ In IE. § Figures for 39 weeks. L Loss.

Figures for Low and Bonar which appeared in last Saturday's table referred to North American activities only. The preliminary figures will appear in March.

# Australian stake in LPHG

London Private Health Group has reached agreement with Ramsay Hospitals of Australia for Ramsay to subscribe for 2.4m new ordinary shares of 25p each in LPHG at 25p per share, payable as to 8p on allotment and the balance on or before August 14, 1984.

The existing deferred shares in LPHG are to be converted into ordinary shares on a 1:1 basis. Ramsay will therefore hold 32 per cent of the enlarged ordinary share capital.

Two executives of Ramsay, Australia's biggest privately-owned hospital group, will be invited to join the board of LPHG, with a third when the shares are fully paid. It is proposed that the name of LPHG be changed to Health Care Services, the name of the Company's management subsidiary.

The arrangements are conditional on the approval of LPHG's shareholders and on permission from the Council of The Stock Exchange to deal on the USM in the new ordinary shares to be issued to Ramsay. They are also conditional on the approval of the Reserve Bank of Australia.

## EUROPEAN OPTIONS EXCHANGE

| Series | | Feb. Vol. | Feb. Last | May Vol. | May Last | Aug. Vol. | Aug. Last | Stock |
|---|---|---|---|---|---|---|---|---|
| GOLD C | $350 | — | — | — | — | 33 | 45 B | $370 |
| GOLD C | $375 | 51 | 6 | 61 | 20 | 10 | 27 | " |
| GOLD C | $400 | 30 | 2 | 61 | 9.50 | 25 | 17 | " |
| GOLD C | $425 | 10 | 0.50 | 15 | 5.50 | 26 | 8.10 | " |
| GOLD C | $450 | — | — | 15 | 2.50 | — | — | " |
| GOLD P | $350 | 5 | 2 | 77 | 5 | 35 | 5 | " |
| GOLD P | $375 | 17 | 10 | 11 | 10 | — | — | " |
| GOLD P | $425 | 1 | 56 | — | — | — | — | " |
| | | March | | June | | Sept. | | |
| SILVER C | $9 | 2 | 0.15 | 5 | 0.50 | 8 | 0.75 | $8.28 |
| SILVER C | $10 | 4 | 0.10 | — | — | 13 | 0.50 | " |
| SILVER P | $8 | 1 | 0.25 A | — | — | — | — | " |
| SILVER P | $10 | 42 | 1.90 | — | — | — | — | " |
| | | April | | July | | Oct. | | |
| ABN C | F.420 | 121 | 28.50 | 4 | 35 A | 10 | 37 | F.433. |
| ABN C | F.440 | 184 | 19.50 | 18 | 22 | 13 | 24 | " |
| AKZO C | F.90 | 334 | 28 | 68 | 30.50 B | — | — | F.115.50 |
| AKZO C | F.100 | 817 | 21.50 | 195 | 23 | 3 | 25.50 | " |
| AKZO C | F.110 | 1415 | 14 | 410 | 20 | 71 | 20 | " |
| AKZO C | F.120 | 1459 | 9 | 606 | 13.50 | 94 | 15 | " |
| AKZO C | F.130 | 1095 | 4.80 | 220 | 9 | — | — | " |
| AKZO P | F.100 | 597 | 2 | 71 | 4 | 2 | 5.50 | " |
| AKZO P | F.110 | 674 | 5.30 | 152 | 8 | 4 | 8.20 | " |
| AKZO P | F.120 | 256 | 10.50 | 39 | 13 | — | — | " |
| AMRO C | F.65 | 109 | 15.20 A | 48 | 16 | — | — | F.80.30 |
| AMRO C | F.70 | 261 | 10.70 | 117 | 12.50 | 6 | 12.80 A | " |
| AMRO C | F.75 | 278 | 6.20 | 120 | 10.90 | 8 | 10.50 | " |
| AMRO C | F.80 | 634 | 3.80 | 206 | 6.20 | 74 | 9.50 | " |
| AMRO P | F.75 | 136 | 1.80 | 8 | 3 | 4 | 5.50 | " |
| HEIN C | F.140 | 123 | 13.40 | 19 | 18.40 | — | — | F.147 |
| HEIN C | F.150 | 159 | 9.50 | 28 | 13 | 13 | 16.80 | " |
| HOOG C | F.40 | 98 | 21 | 41 | 22 | — | — | F.60.40 |
| HOOG C | F.45 | 179 | 16.50 | 136 | 17.50 | — | — | " |
| HOOG C | F.50 | 100 | 12.40 | 129 | 15 | — | — | " |
| HOOG C | F.55 | 272 | 9.30 | 131 | 12.20 | 56 | 13.30 | " |
| HOOG C | F.60 | 276 | 6.50 | 114 | 9.60 | 3 | 12.50 | " |
| KLM C | F.190 | 100 | 42.50 | — | 47.50 | — | — | F.229 |
| KLM C | F.200 | 175 | 34.50 | 18 | 40 | — | — | " |
| KLM C | F.210 | 143 | 25 | 32 | 32 | 4 | 40 | " |
| KLM C | F.220 | 376 | 21 | 47 | 28 | 15 | 34 | " |
| KLM C | F.230 | 670 | 16 | 128 | 23.50 | 78 | 26.50 | " |
| KLM C | F.240 | 790 | 1.80 | 72 | 3.80 | — | — | " |
| KLM P | F.210 | 157 | 6 | 94 | 8 | 1 | 11.50 | " |
| KLM P | F.220 | 203 | 8.70 | 57 | 11 | — | — | " |
| NATN C | F.230 | 111 | 17.50 | 3 | 25.50 | 53 | 27.50 | F.238 |
| NATN C | F.240 | 38 | 13 | 90 | 15.50 | — | — | " |
| NATN C | F.200 | 90 | 0.10 | 51 | 2.50 | — | — | " |
| NATN P | F.40 | 178 | 8.20 B | 94 | 9.30 | — | — | F.47.40 |
| PHIL C | F.45 | 175 | 5.40 | 122 | 6.50 | 60 | 7.30 | " |
| PHIL C | F.50 | 867 | 3.00 | 277 | 3.70 A | 143 | 5 | " |
| PHIL C | F.55 | 1160 | 1.40 | — | — | — | — | " |
| PHIL P | F.45 | 165 | 2.20 | 45 | 3.20 | 17 | 4.50 | " |
| RD C | F.130 | 115 | 33.50 | 35 | 34.50 | — | — | F.161.20 |
| RD C | F.140 | 376 | 24.20 | 252 | 26 | 36 | 29.20 | " |
| RD C | F.150 | 1123 | 16.20 | 275 | 18.50 | 27 | 23.70 A | " |
| RD C | F.160 | 1651 | 10.70 | 303 | 14 | 290 | 16.50 | " |
| RD C | F.170 | 636 | 2.20 | 45 | 9 | — | — | " |
| RD P | F.150 | 362 | 5.80 | 279 | 9 | 2 | 10 | " |
| RD P | F.160 | 128 | [illegible] | 8 | [illegible] | — | — | " |
| UNIL C | F.260 | 108 | 25 | 23 | 28.50 | 1 | [illegible] | F.274.90 |
| UNIL C | F.300 | 127 | 7.50 | 23 | 12 | — | — | " |

TOTAL VOLUME IN CONTRACTS: 32,581

A=Ask B=Bid C=Call P=Put

## LONDON TRADED OPTIONS

| Option | | Calls Apr. | Calls July | Calls Oct. | Puts Apr. | Puts July | Puts Oct. |
|---|---|---|---|---|---|---|---|
| B.P. (*446) | 390 | 65 | 72 | — | 1½ | 3 | — |
| | 420 | 42 | 50 | 57 | 14 | 22 | 27 |
| | 460 | 16 | 24 | 28 | 40 | 45 | 50 |
| Cons. Gold (*514) | 460 | 70 | 80 | — | 3 | 17 | — |
| | 500 | 44 | 54 | 62 | 12 | 27 | 35 |
| | 550 | 20 | 28 | 35 | 60 | 67 | 70 |
| | 600 | 9 | 17 | — | 100 | — | — |
| | 650 | 1 | — | — | 150 | — | — |
| Courtaulds (*148) | 90 | 54 | 58 | — | 0½ | — | — |
| | 100 | 44 | 46 | — | 1 | 1 | — |
| | 110 | 35 | 36 | — | 2 | 2 | — |
| | 120 | 25 | 27 | — | 2 | 3 | — |
| | 130 | 16 | 20 | — | 3 | 4 | 6 |
| | 140 | 10 | 15 | 17 | 8 | 10 | 15 |
| Com. Union (*191) | 140 | 57 | 59 | — | 1½ | 2 | — |
| | 160 | 38 | 42 | — | 2 | 5 | — |
| | 180 | 22 | 26 | 31 | 6 | 12 | 15 |
| | 200 | 10 | 15 | 19 | 21 | 21 | 23 |
| G.E.C. (*184) | 160 | 36 | 44 | — | 1 | 5 | — |
| | 180 | 22 | 28 | 35 | 6 | 8 | — |
| | 200 | 11 | 16 | 22 | 14 | 18 | 22 |
| | 220 | 5 | 9 | — | 32 | 34 | — |
| Grand Met. (*355) | 300 | 57 | 62 | — | 1 | 3 | — |
| | 330 | 32 | 37 | 45 | 6 | 10 | 14 |
| | 360 | 15 | 20 | 28 | 16 | 27 | 30 |
| | 390 | 4 | 8 | — | 40 | — | — |
| I.C.I. (*628) | 500 | 136 | — | — | — | — | — |
| | 550 | 86 | 94 | — | 2 | 3 | — |
| | 600 | 46 | 56 | 64 | 16 | 22 | 28 |
| | 650 | 16 | 28 | 36 | 38 | 48 | 54 |
| Land Secur. (*271) | 214 | 62 | 67 | — | 1 | 3 | — |
| | 234 | 41 | 44 | — | 1 | 5 | — |
| | 240 | 35 | 39 | — | — | 4 | — |
| | 260 | 22 | 29 | 35 | 5 | 7 | 8 |
| | 280 | 11 | 16 | 19 | 11 | 14 | 18 |
| Marks & Sp. (*235) | 160 | 75 | 80 | — | 1 | 1 | — |
| | 180 | 55 | 60 | — | 1 | 1 | — |
| | 200 | 36 | 41 | — | 1 | 4 | — |
| | 220 | 15 | 26 | 33 | 4 | 8 | 11 |
| | 240 | 10 | 14 | 20 | 12 | 16 | 18 |
| Shell Trans. (*668) | 500 | 168 | 178 | — | 1 | — | — |
| | 550 | 118 | 122 | — | 1 | 1 | — |
| | 600 | 76 | 85 | 90 | 7 | 12 | 16 |
| | 650 | 36 | 48 | 60 | 22 | 32 | 37 |
| | 700 | 12 | 22 | 30 | 40 | 52 | 58 |

| Option | | Calls Feb. | Calls May | Calls Aug. | Puts Feb. | Puts May | Puts Aug. |
|---|---|---|---|---|---|---|---|
| Barclays (*532) | 420 | 155 | 157 | — | 1 | — | — |
| | 460 | 93 | 97 | 110 | 1 | 3 | 5 |
| | 500 | 55 | 60 | 75 | 2 | 11 | 15 |
| | 550 | 7 | 18 | 28 | 18 | 30 | 35 |
| Imperial Gp. (*165) | 110 | 47 | 47 | — | 0½ | 1 | — |
| | 120 | 37 | 37 | 29 | 1 | — | — |
| | 130 | 27 | 27 | 21 | 1 | — | — |
| | 140 | 17 | 18 | 14 | 1½ | 4 | — |
| | 150 | 6 | 8 | 10 | 14 | 16 | 17 |

| Option | | Calls Feb. | Calls May | Calls Aug. | Puts Feb. | Puts May | Puts Aug. |
|---|---|---|---|---|---|---|---|
| LASMO (*346) | 260 | 96 | 120 | 125 | 1½ | 3 | 10 |
| | 280 | 93 | 105 | 112 | 2 | 5 | 14 |
| | 300 | 72 | 90 | 98 | 3 | 8 | 18 |
| | 330 | 55 | 73 | 83 | 5 | 15 | 25 |
| | 360 | 33 | 46 | 60 | 15 | 28 | 35 |
| | 390 | 15 | 27 | — | — | — | — |
| Lonrho (*124) | 90 | 34 | 35 | 36 | 0½ | 1 | — |
| | 100 | 24 | 25 | 26 | 0½ | 1 | 2 |
| | 110 | 15 | 16 | 18 | 1½ | 4 | 5½ |
| | 120 | 6 | 9½ | 11 | 1½ | 4 | 11 |
| P. & O. (*261) | 180 | 83 | — | — | — | — | — |
| | 200 | 63 | 69 | — | 2 | — | — |
| | 220 | 43 | 48 | — | 1 | 3 | — |
| | 240 | 26 | 35 | 43 | 2 | 6 | — |
| | 260 | 9 | 20 | 28 | 10 | 14 | 19 |
| Racal (*196) | 180 | 32 | 32 | 40 | 3 | 5 | 8 |
| | 200 | 20 | 22 | 29 | 8 | 12 | 15 |
| | 220 | 4 | 11 | 18 | 22 | 20 | 24 |
| | 240 | 1 | 5 | — | 42 | — | — |
| R.T.Z. (*659) | 483 | 184 | — | — | — | — | — |
| | 500 | 167 | — | — | — | — | — |
| | 533 | 134 | — | — | — | — | — |
| | 550 | 117 | 135 | 145 | 1 | 1 | — |
| | 600 | 67 | 87 | 100 | 2 | 12 | 16 |
| | 650 | 27 | 53 | 70 | 10 | 21 | 32 |
| | 700 | 8 | 27 | 33 | 50 | 62 | 70 |
| Vaal Reefs (*$102) | 90 | 13 | 17 | 21 | 1 | 1½ | 3 |
| | 100 | 7 | 12 | 15 | 2½ | 4 | 6 |
| | 110 | 2 | 7 | 9½ | 13½ | 17½ | 20½ |
| | 120 | 0½ | 3½ | — | — | 21 | — |
| | 130 | 0½ | 1 | — | — | — | — |

| Option | | Calls Mar. | Calls June | Calls Sep. | Puts Mar. | Puts June | Puts Sep. |
|---|---|---|---|---|---|---|---|
| Beecham (*318) | 300 | 30 | 34 | 37 | 5 | 8 | 9 |
| | 330 | 14 | 17 | 22 | 18 | 20 | 26 |
| | 360 | 5 | 9 | 13 | 45 | 48 | 55 |
| Boots (*228) | 200 | 40 | 45 | 52 | 2 | 3 | 5 |
| | 220 | 15 | 27 | 34 | 7 | 10 | 12 |
| | 240 | 6 | 14 | 19 | 20 | 22 | 24 |
| De Beers (*$820) | 700 | 150 | 140 | 150 | 4 | 13 | 15 |
| | 750 | 90 | 97 | 110 | 8 | 25 | 27 |
| | 800 | 50 | 62 | 75 | 38 | 47 | 57 |
| | 900 | 20 | 32 | 46 | 68 | 80 | 95 |
| Guest Keen (*209) | 180 | 55 | 58 | 62 | 1 | 2 | 3 |
| | 200 | 35 | 39 | 42 | 2 | 4 | 6 |
| | 220 | 16 | 22 | 28 | 5 | 9 | 12 |
| Hanson (*210) | 220 | 33 | 37 | — | 2 | 3 | — |
| | 240 | 33 | 39 | 45 | 2 | 4 | 6 |
| | 260 | 15 | 22 | 28 | 6 | 10 | 12 |
| | 280 | 7 | 14 | 19 | 16 | 19 | 23 |
| Tesco (*180) | 160 | 26 | 30 | 34 | 1 | 3 | 4 |
| | 180 | 11 | 16 | 20 | 4 | 6 | 8 |

Jan. 27. Total Contracts 4,570. Calls 3,407. Puts 1,163.
* Underlying security price.

## BIDS AND DEALS IN BRIEF

Vaux Breweries has conditionally agreed to acquire St John's Hotel which owns the St John's Hotel, a 3 star, 210 bedroom hotel in Solihull and the Fairlawns Hotel, in Aldridge for £2.28m. The St John's Hotel is close to the National Exhibition Centre and to Birmingham Airport.

The consideration will be satisfied by 1.06m fully paid 25p ordinary shares of Vaux of which 848,559 have been conditionally placed with institutional investors and the balance of 215,138 will be kept by the vendors.

* * *

On January 25 Bensons, acquired the business of XL Crisps from Associated British Foods for £275,000, of which £90,000 represents the cost of the share capital and £185,000 repayment of an inter-company loan.

In addition, Bensons has agreed to purchase, at a cost not expected to exceed £100,000, stocks of XL Crisps, which are mainly raw materials, at an agreed valuation.

The initial payment will be £150,000, with the balance of £125,000 being due in January 1985.

* * *

Further to the announcement on January 10 that a preliminary approach had been received which might lead to an offer, the board of Leyland Paint and Wallpaper announce that discussions with the original interested party have now ceased.

Since January 10 further unsolicited approaches have been received from other parties, but it is too early to say whether these will lead to an offer.

* * *

J. J. & D. Frost has entered into a conditional contract for the acquisition of Yuleiso, a private company formed to acquired five freehold petrol stations from Dalstead Developments, together with loan stock issued by Yuleiso, for £1m.

* * *

Kleinwort Benson Investment Trust, a subsidiary of Kleinwort Benson, has increased its holding in Charter Trust to 4.18m shares (5.1 per cent) with the purchase of 1m ordinary shares.

Resource Technology has acquired Malden Electronics, a London based manufacturer of electronic testing equipment for telecommunications for £550,000.

Consideration will be satisfied by the issue of 322,000 new ordinary in Resource Technology, and about £20,000 in cash. Resource Technology has undertaken to pay four times the amount by which the average annual pre-tax profits of Malden over the next three financial years exceeds £150,000. This will be in shares.

Malden's pre-tax profits for 1982 were £63,000 and for the 11-month period to November 30 1983 were £108,000.

* * *

Bassett Foods has received the detailed terms of the bid offer from Avana Group. Having considered the offer, the directors conclude that it is manifestly unacceptable, and will not be recommended to shareholders. A detailed response will be sent to shareholders on receipt of the formal offer document, which is now expected to be issued late next week.

* * *

As part of a planned expansion in the travel and leisure industries, Mr Peter de Savary's St James's Group has acquired London agency Westward Travel from Mr Peter Cadbury.

* * *

The Tarmac Roadstone Holdings offers for Francis Parker have become unconditional as to acceptances. These have been received in respect of the equivalent 271,973 Parker ordinary (1.05 per cent).

As at December 16, Tarmac owned 12.83m Parker ordinary shares (49.7 per cent) and the directors of Parker had irrevocably agreed to accept the recommended offers in respect of 496,778 ordinary shares (1.9 per cent).

Tarmac Roadstone and Tarmac have therefore acquired or agreed to acquire 13.58m ordinary shares (52.7 per cent) of Parker. Offers remain open until February 7.

* * *

The issued share capital of Glikssten Veneers, a subsidiary of Meyer International, has been purchased by Reif & Son, Manchester, for £520,000 cash. The name Glikssten Veneers is being retained by Meyer and the company will trade as Reif & Son (London).

* * *

In the document detailing the offers by Investors in Industry Group for Edith, it was stated that interest in the loan notes would be payable without deduction of income tax. III has since been advised that it is not possible for it to pay interest on the loan notes on this basis and it will be necessary to deduct income tax at the basic rate for the time being in force on all payments of interest on such loan notes.

To compensate for the cash flow timing difference, III has increased the rate of interest payable by 0.5 per cent per annum.

Because of the revision to the terms, the period for receipt of acceptance in the first instance will be extended to 3.30 pm on February 8.

* * *

United Transport Overseas, *overseas transport subsidiary of* the British Electric Traction Company, is to make an offer for the 37 per cent minority interests in one of its subsidiaries, Zimbabwe Omnibus Company (Successors). The offer is subject to Zimbabwe Government consents and the offer price is yet to be announced.

* * *

Heywood Williams Group has reached agreement with John Williams of Cardiff to acquire for £75,000 in cash the goodwill and fixed assets of Jonwindows. The goodwill includes the right to use trade names and the assets including automatic equipment for producing double-glazing units.

Heywood Williams will acquire leasehold premises and take responsibility for lease commitments and hire-purchase contracts relating to motor vehicles, with effect from March 1 1984.

* * *

Whittington International has bought a 45,000 sq ft property in Hastings for £429,000. The company has also bought Twinhouse, a newly formed property company, for £155,000. Part of the payment for each transaction is in the form of 550,000 new Whittington shares issued at 22p each, split as to 300,000 in respect of Hastings and 250,000 for Twinhouse.



### Over-the-Counter Market

| 1983-84 High | Low | Company | Price | Change | Gross div.(p) | Yield % | P/E Actual | P/E Fully taxed |
|---|---|---|---|---|---|---|---|---|
| 142 | 120 | Ass. Brit. Ind. Ord. | 125 | — | 6.4 | 5.1 | 7.3 | 9.5 |
| 158 | 117 | Ass. Brit. Ind. CULS | 139 | — | 10.0 | 7.3 | — | — |
| 78 | 62 | Airsprung Group | 75 | — | 6.1 | 8.1 | 21.4 | 21.4 |
| 38 | 21 | Armitage & Rhodes | 27 | — | — | — | — | — |
| 302 | 141½ | Bardon Hill | 302 | +2 | 7.2 | 2.4 | 12.3 | 25.1 |
| 56 | 52 | Bray Technologies | 56 | — | 2.7 | 4.8 | 10.2 | 11.0 |
| 200 | 197 | CCL Ordinary | 197 | — | 5.0 | 2.5 | 4.5 | 6.3 |
| 151 | 121 | CCL 11pc Conv. Pref. | 147 | — | 15.7 | 10.7 | — | — |
| 220 | 100 | Carborundum Abrasives | 220 | — | 5.7 | 2.6 | — | — |
| 249 | 100 | Cindico Group | 103 | — | 17.6 | 17.0 | — | — |
| 63 | 45 | Deborah Services | 51 | — | 6.0 | 11.8 | 27.3 | 44.3 |
| 197 | 75 | Frank Horsell | 197 | — | — | — | 8.3 | 13.5 |
| 184 | 75½ | Frank Horsell Pr Ord 87 | 184 | — | 8.7 | 4.7 | 7.7 | 12.7 |
| 69 | 36 | Frederick Parker | 36 | −1 | 7.1 | 19.7 | 2.3 | 3.6 |
| 39 | 32 | George Blair | 33 | — | — | — | — | — |
| 80 | 46 | Ind. Precision Castings | 46 | −1 | 7.3 | 15.9 | 12.7 | 15.9 |
| 242 | 134 | Isis Conv. Pref. | 242 | — | 17.1 | 7.1 | — | — |
| 121 | 61 | Jackson Group | 116 | — | 4.5 | 3.9 | 6.1 | 11.9 |
| 240 | 169 | James Burrough | 240 | — | 11.4 | 4.8 | 13.3 | 13.6 |
| 340 | 275 | Minihouse Holding NV | 340 | +5 | 4.0 | 1.8 | 25.5 | 31.2 |
| 176 | 113 | Robert Jenkins | 113 | −1 | 20.0 | 17.7 | 13.1 | 8.8 |
| 74 | 60 | Scruttons "A" | 60 | — | 5.7 | 9.5 | 10.0 | 7.2 |
| 120 | 69 | Torday & Carlisle | 69 | — | 2.9 | 4.2 | — | — |
| 440 | 385 | Trevian Holdings | 438 | — | — | — | 8.9 | 8.1 |
| 26 | 17 | Unilock Holdings | 18 | — | 1.0 | 5.5 | 11.8 | 17.1 |
| 90 | 65 | Walter Alexander | 87 | — | 6.8 | 7.8 | 7.6 | 10.1 |
| 276 | 239 | W. S. Yeates | 239 | — | 17.1 | 7.2 | 3.7 | 7.6 |





| FUND | LIFE BID | LIFE OFFER | PENSIONS BID | PENSIONS OFFER |
|---|---|---|---|---|
| UK Equity Acc | 117.3 | 124.7 | 118.4 | 125.8 |
| Cap | 117.1 | 124.6 | 118.3 | 125.4 |
| Special Sits Acc | 117.3 | 124.7 | 117.3 | 124.7 |
| Cap | 117.3 | 124.7 | 117.0 | 124.3 |
| Fixed Interest Acc | 147.3 | 156.2 | 147.6 | 156.6 |
| Cap | 147.3 | 156.2 | 147.0 | 156.2 |
| Cash Acc | 102.3 | 108.7 | 102.3 | 108.7 |
| Cap | 102.3 | 108.7 | 102.3 | 108.8 |
| Property Acc | 101.0 | 107.4 | 101.0 | 107.4 |
| Cap | 101.0 | 107.4 | 101.0 | 107.3 |
| North American Acc | 108.9 | 115.8 | 108.9 | 115.8 |
| Cap | 108.9 | 115.8 | 108.9 | 115.8 |
| Pacific Basin Acc | 143.4 | 152.6 | 143.4 | 152.9 |
| Cap | 143.4 | 152.5 | 142.8 | 151.9 |
| Managed Acc | 119.7 | 126.3 | 120.2 | 127.8 |
| Cap | 119.5 | 125.8 | 118.4 | 125.8 |





Continued from Page 26

Carrs Milling Inds 7½pcLn 2001-05 £44pc (23/1) ... Chatham Est (50p) 98 9 (24/1) ... Dewhurst Hlghfds (£1) 77 82 (25/1) ... Gleneagles Hotels and Insc 1b½ 9 ½ ... Harvey Pipeline (20p) ... Interlink Express (5p) ... Jersey New Waterworks 10pcDb 1988-90 ... Jersey New Waterworks 12½pcDb 1985-1987 £100pc ... Jessel Trust (5p) 3 4 (24/1) ... Jessel 10pcPf (£1) 85 ... La Richet Secs (£1) 278 8 ... Leisure Inv. (10p) 12 (25/1) ... Norton Villiers Triumph (10p) 1 ½ 2 (23/1) ... Red Rose Radio A (N-V) (10p) 19 (23/1) ... Romney Hythe and Dymchurch Rly (£1) 78 80 (25/1) ... St Austell Brewery (£1) 447 ... Southern Newspapers (£1) 153½ 7 (20/1) ... Weetabix A (N-V) 104 5 [illegible in part]

### RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

Cornish Oil Expl (1-C0.25) 7 ½ (23/1) ... Carnon Consolidated 20p ... Conroy Petroleum £110pc 20p (23/1)

(By permission of the Stock Exchange Council)

# BANK RETURN

| | Wednesday January 25 1984 | Increase (+) or Decrease (−) for week |
|---|---|---|
| **BANKING DEPARTMENT** | | |
| | £ | £ |
| Liabilities | | |
| Capital | 14,553,000 | |
| Public Deposits | 318,165,369 | + 273,531,899 |
| Bankers Deposits | 677,907,516 | + 67,357,143 |
| Reserve and other Accounts | 1,368,009,886 | + 60,702,960 |
| | 2,378,632,771 | + 401,592,002 |
| Assets | | |
| Government Securities | 498,576,495 | − 25,050,000 |
| Advances & other Accounts | 607,505,224 | − 19,711,190 |
| Premises Equipment & other Secs. | 1,531,250,406 | + 442,774,487 |
| Notes | 11,161,473 | + 4,593,672 |
| Coin | 159,183 | − 14,967 |
| | 2,378,632,771 | + 401,592,002 |
| **ISSUE DEPARTMENT** | | |
| | £ | £ |
| Liabilities | | |
| Notes issued | 11,360,000,000 | − 10,000,000 |
| In circulation | 11,348,838,527 | − 14,593,672 |
| In Banking Department | 11,161,473 | + 4,593,672 |
| Assets | | |
| Government Debt | 11,015,100 | — |
| Other Government Securities | 2,128,159,279 | − 21,743,661 |
| Other Securities | 9,220,825,621 | + 11,743,661 |
| | 11,360,000,000 | − 10,000,000 |

## BASE LENDING RATES

| | | | |
|---|---|---|---|
| A.B.N. Bank | 9 % | ■ Hambros Bank | 9 % |
| Allied Irish Bank | 9 % | Heritable & Gen. Trust | 9 % |
| Amro Bank | 9 % | ■ Hill Samuel § | 9 % |
| Henry Ansbacher | 9 % | C. Hoare & Co. † | 9 % |
| Arbuthnot Latham | 9 % | Hongkong & Shanghai | 9 % |
| Armco Trust Ltd. | 9 % | Kingsnorth Trust Ltd. | 10 % |
| Associates Cap. Corp. | 9½% | Knowsley & Co. Ltd. | 9½% |
| Banco de Bilbao | 9 % | Lloyds Bank | 9 % |
| Bank Hapoalim BM | 9 % | Mallinhall Limited | 9 % |
| BCCI | 9 % | Edward Manson & Co. | 10 % |
| Bank of Ireland | 9 % | Meghraj and Sons Ltd. | 9 % |
| Bank Leumi (UK) plc | 9 % | Midland Bank | 9 % |
| Bank of Cyprus | 9 % | ■ Morgan Grenfell | 9 % |
| Bank of Scotland | 9 % | National Bk. of Kuwait | 9 % |
| Banque Belge Ltd. | 9 % | National Girobank | 9 % |
| Banque du Rhone | 10 % | National Westminster | 9 % |
| Barclays Bank | 9 % | Norwich Gen. Tst. | 9 % |
| Beneficial Trust Ltd. | 10 % | R. Raphael & Sons | 9 % |
| Bremar Holdings Ltd. | 9 % | P. S. Refson & Co. | 9 % |
| Brit. Bank of Mid. East | 9 % | Roxburghe Guarantee | 9½% |
| ■ Brown Shipley | 9 % | Royal Trust Co Canada | 9 % |
| CL Bank Nederland | 9 % | ■ J Henry Schroder Wagg | 9 % |
| Canada Perm't Trust | 10 % | Standard Chartered ‖ | 9 % |
| Castle Court Trust Ltd. | 9½% | Trade Dev. Bank | 9 % |
| Cayzer Ltd. | 9 % | TCB | 9 % |
| Cedar Holdings | 9 % | Trustee Savings Bank | 9 % |
| ■ Charterhouse Japhet | 9 % | United Bank of Kuwait | 9 % |
| Choulartons | 10½% | United Mizrahi Bank | 9 % |
| Citibank Savings ¶ | 10½% | Volkskas Intnl. Ltd. | 9 % |
| Clydesdale Bank | 9 % | Westpac Banking Corp. | 9 % |
| C. E. Coates | 9½% | Whiteaway Laidlaw | 9½% |
| Comm. Bk. of N. East | 9 % | Williams & Glyn's | 9 % |
| Consolidated Credits | 9 % | Wintrust Secs. Ltd. | 9 % |
| Co-operative Bank * | 9 % | Yorkshire Bank | 9 % |
| The Cyprus Popular Bk. | 9 % | | |
| Dunbar & Co. Ltd. | 9 % | | |
| Duncan Lawrie | 9 % | | |
| E. T. Trust | 9½% | | |
| Exeter Trust Ltd. | 10 % | | |
| First Nat. Fin. Corp. | 11 % | | |
| First Nat. Secs. Ltd. | 10½% | | |
| Robert Fraser | 10 % | | |
| Grindlays Bank ‡ | 9 % | | |
| ■ Guinness Mahon | 9 % | | |

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%. 1-month 6%. Fixed rate 12 months £2,500 9% £25,000 12 months 9.5%.
† 7-day deposits on sums of: under £10,000 5½%. £10,000 up to £50,000 6½%. £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

## UK CONVERTIBLE STOCK 28/1/84

Statistics provided by *DATASTREAM International*

| Name and description | Size (£m) | Current price | Terms* | Conversion dates⇟ | Flat yield | Red yield | Premium† Current | Premium† Range‡ | Income Equ§ | Income Conv¶ | Income Div♡ | Cheap (+) Dear (−)◇ Current |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| British Land 12pc Cv 2002 | 9.60 | 370.50 | 333.3 | 80-92 | 3.3 | | −3.3 | − 7 to 2 | 63.7 | 65.4 | 0.4 | + 3.8 |
| Hanson Trust 9½pc Cv 01-06 | 81.54 | 277.50 | 107.1 | 85-01 | 3.6 | | −4.8 | −12 to −1 | 169.7 | 74.3 | −32.7 | −28.0 |
| Slough Estates 10pc Cv 87-90 | 5.03 | 270.50 | 234.4 | 78-85 | 3.7 | | −6.9 | −11 to −4 | 18.6 | 9.3 | − 3.2 | + 3.7 |
| Slough Estates 8pc Cv 91-94 | 24.72 | 122.50 | 97.5 | 80-89 | 6.6 | 4.5 | 1.3 | − 3 to 4 | 26.5 | 29.9 | 2.8 | + 1.5 |

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⇟ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

# Wall St continues to drift

AFTER A MODERATE rally *attempt stalled*, Wall Street resumed its downward drift yesterday.

By 1 pm the Dow Jones Industrial Average was down a further 4.40 at 1225.29, making a loss of 33.82 on the week, while the NYSE All Common Index, at $94.45, shed 43 cents on the day and $1.68 on the week. Declining issues led gains by about seven-to-five. Volume dropped 14.02m to 74.98, compared with 1 pm Thursday.

One analyst with Purcell Graham and Co, said the market remains concerned about the Federal Budget deficit and is worried that the issue is becoming politicised.

"I don't think there is going to be any action taken on this until after the November election," he said.

Sellers probably entered the market automatically after the DJ Index sunk below the 1,235 support level. But, he added, that there is no large build-up in selling pressure.

**Coastal Corp.** up $1¾ to $35¼, said that it wished to buy over 50 per cent of **Houston Natural Gas** stock at $68 each. **Arkla Inc**, another Gas Pipeline company that is considered a possible takeover candidate, advanced $1½ to $27.

**Bandag** fell $3½ to $46¼—Thursday it reported fourth quarter net profits of $1.10 a share, compared with last year's 85 cents.

Technology stocks weakened on a bearish report. **Texas Instruments** fell $3¼ to $131½, **Motorola** $2¼ to $120½, **NCR** $2¾ to $116¾, **Honeywell** $1¾ to $114¾ and **Computervision** $1 to $40¼.

**Dr Pepper** led the active list, up $¼ to $21¼.

**Imperial Corp of America**, the largest percentage gainer of the day, moved up $1½ to $9¾. **Texas International** fell the largest percentage by droping $1½ to $3¼.

**Houston Natural Gas**, which is the object of an unsolicited takeover bid, jumped $6⅞ to $63.

**Closing prices for North America were not available for this edition.**

THE AMERICAN SE Market Value Index shed 1.56 to 220.28, making a loss of 6.43 on the week. Volume, however, expanded 1.22m shares to 5.9m, compared with 1 pm Thursday.

## Canada

Stocks were fractionally mixed, with the Toronto Composite Index up 3.4 to 2,511.3.

*The Gold Share Index put on* 32.7 to 3,990.9, Oil and Gas 9.3 to 3,371.8 and Banks 0.67 to 480.48. But Metals and Minerals shed 3.5 to 2,341.2.

**Northern Telecom** fell $1½ to $43¼, reflecting a general weakening of technology stocks on Wall Street.

## Germany

Share prices ended off session peaks but the Commerzbank Index still reached its fourth record high this week of 1,082.2, up 5.4. Both Domestic and Foreign investors continued to express confidence in West German stocks.

Demand was selective, focusing on Motors and Banks which have recently lagged behind other Blue Chips.

Markets responded to underlying confidence in the West German economy, partly on positive recent Corporate results.

*In* Motors, **BMW** advanced DM 11 to 446.

Among Banks, **Deutsche** rose DM 6.50 to 383.50.

Engineerings were firmer.

Lufthansa rose DM 3.5 to 165.5 and the Preference *DM 4.20 to* 167.20 on news it expects to more than double its 1983 net profit.

## Paris

Mixed in active trading.

Portfolios were mostly higher, while Electricals and Chemicals were disappointing.

Americans and Oils were mainly easier, especially **ITT** and **United Tech**. Gold Mines, Coppers and Japanese issues were favoured, however. Germans mixed.

## Switzerland

Domestic share prices again firmed in moderate activity at the start of the new Account.

Hopes the Swiss economic recovery will gain momentum enlivened market sentiment.

In pre-Bourse dealings Chocolat Lindt Bearer and Registered rose to new highs, gaining Frs 450 and Frs 100 to 12,000 and 10,400 respectively.

In the Foreign Sector, Dollar stocks traded mostly above overnight New York close. Dutch and German issues firmed. Bonds were mixed.

## Amsterdam

Despite a lower tendency, enough shares posted steep rises to send many Amsterdam Bourse Indices to records.

Internationals, Industry, Insurers and Local General were also at record highs.

**Akzo**, whose German daughter company released improved figures, firmed Fl 4.1 to 115.5.

## Tokyo

Late profit-taking wiped out most initial gains, but the Market Average finished at a record closing high of 10,180.95, up another 1.30, after 10,207.62. Volume 420m (400m) shares.

Blue Chips, "Populars" and many "medium-sized" issues rose initially on heavy buying by both Foreign and Domestic investors but a wave of profit-taking towards the close pushed prices down again.

**Toyota Motor** rose Y40 to 1,410 on its bright 1984 prospects — its President said output will rise about 3 per cent this year in line with the world economic recovery. Other Car shares were mixed.

**Sanyo Electric** were up Y8 to 573 after announcing the Sanyo Group will produce VHS-type video tape recorders in West Germany.

Non Ferrous Metals improved as their business is expected to improve following the recovery of the Non Ferrous Metals Market. **Sumitomo Metal Mining** advanced Y80 to 1,350, **Mitsubishi Metal** Y22 to 463 and **Mitsui Mining and Smelting** Y20 to 488.

**Mitsubishi Plastics** and **Shin-Etsu Polymer** announced a tie-up for joint production of polyvinyl chloride pipes. Both companies agreed to reduce production by 15.5 per cent in order to stimulate demand. **Mitsubishi Plastics** rose Y28 to 370, while **Shin-Etsu Polymer** fell Y60 to 13,600.

Although consolidation tended to control the market, medium-priced Electricals advanced with **Hitachi** up Y34 at 882, as a pace-setter, one broker said. Hitachi, he added, was boosted by some foreign buying. He noted that Foreign and Domestic investors appeared to be looking at its attractive "low price" compared to other Electricals and at the possibility the Finance Ministry may amend the restriction that limits the number of shares that Foreign investors can own of Hitachi and 10 other Japanese issues. *Currently, the ceiling for* Foreign ownership on Hitachi is 30 per cent.

## Australia

Stocks with interests in the Turtle One well encountered strong buying support for the fourth straight session, but Blue Chips remained under profit-taking.

The All Ordinaries Index shed 1.3 to 765.7.

**Pan Electric** rose 6 cents to A$3.70 on a turnover of 1.03m and **Amcol** traded 722,000 units before closing at A$2.49, up 4 cents.

Elsewhere, **Growth Industrial Holdings** moved up 24 cents to A$4.68, while **Esso** and **Overseas Chinese Bank** gained 20 cents each to A$12.20 and A$11.70 respectively.

Other sectors of markets also firmed, with **Malaysia Mining** rising 15 cents to A$2.32.

Brokers said markets are stalled by the poor performance of Metals on International Markets and Wall Street's continuing decline.

Among companies in the Turtle Consortium, **Home** rose 20 cents to A$1.78, **Canada Northwest** 12 cents to 90 cents, **York Resources** 12 cents to 60 cents, **Tri-arc Energy** 10 cents to 58 cents, **Cultus Pacific** 7 cents to 42 cents and **Pelsart Resources** 2 cents to 23 cents.

## FOREIGN EXCHANGES

# Dollar improves

The dollar improved in currency markets yesterday on better than expected U.S. trade figures. There was still a record trade deficit in 1983 however and yesterday's improvement in the dollar took place in rather thin pre-weekend trading. There appeared to be incentive to push the dollar out of recent trading ranges however, reflecting expectations of a sizeable fall in U.S. money supply figures, due for release after the close of trading in London.

The dollar remained underpinned however by relatively high U.S. interest rates and little indication of a relaxation in Federal credit control. The dollar closed at DM 2.8230 against the D-mark, up from DM 2.8125 on Thursday and SwFr 2.2475 compared with SwFr 2.2375. It was also higher against the Japanese yen at Y234.25 from Y234.05 and improved in terms of the French franc to FFr 8.6250 from FFr 8.6175. On Bank of England figures, the dollar's trade weighted index rose to 131.8 from 131.5.

Sterling was slightly weaker overall but finished above its worst level of the day. Its trade weighted index closed at 81.9 down from 82.0 on Thursday but up from 81.8 at noon and the opening. Against the dollar it traded between $1.3995 and $1.4075 although the volume of trading tended to be low. Sterling opened at $1.4050 and closed at $1.4030-1.4040, a fall of 35 points. Against the D-mark it rose to DM 3.9625 from DM 3.96 and SwFr 3.1575 compared with SwFr 3.15.

### £ in New York (latest)

| | Jan. 27 | Previous |
|---|---|---|
| Spot | $1.4045-4055 | $1.4025-4035 |
| 1 month | 0.04-0.07 dis | 0.05-0.08 dis |
| 3 months | 0.14-0.18 dis | 0.15-0.17 dis |
| 12 months | 0.65-0.80 dis | 0.68-0.73 dis |

Forward rates are quoted in U.S. cents discount.

### THE POUND SPOT AND FORWARD

| Jan 27 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 1.3995-1.4075 | 1.4030-1.4040 | 0.03-0.08c dis | -0.47 | 0.13-0.18dis | -0.44 |
| Canada | 1.7480-1.7540 | 1.7510-1.7520 | 0.05-0.15c dis | -0.68 | 0.18-0.28dis | -0.52 |
| Nethlnd. | 4.44-4.47 | 4.45½-4.46½ | 1½-½c pm | 3.03 | 3½-3¼ pm | 3.14 |
| Belgium | 80.60-81.00 | 80.75-80.85 | 5-15c dis | -1.48 | 40-50 dis | -2.23 |
| Denmark | 14.32½-14.37½ | 14.35½-14.36½ | 2½-3½ore dis | -2.71 | 8½-7½ dis | -1.95 |
| Ireland | 1.2760-1.2830 | 1.2790-1.2800 | 0.26-0.34p dis | -2.81 | 0.75-0.87dis | -2.56 |
| W. Ger | 3.94½-3.97 | 3.95½-3.96½ | 1⅝-⅞pf pm | 3.41 | 3½-3 pm | 3.28 |
| Portugal | 189.75-192.00 | 191.25-191.75 | 140-390c dis | -16.60 | 485-985dis | -15.35 |
| Spain | 223.00-223.75 | 223.05-223.25 | 180-210c dis | -10.49 | 575-620dis | -10.71 |
| Italy | 2,406-2,415 | 2,410-2,412 | 13½-15½lire dis | -7.22 | 43½-45½dis | -7.38 |
| Norway | 11.04-11.08 | 11.05-11.06 | 3¼-3⅞ore dis | -3.87 | 9⅝-10⅝ dis | -3.64 |
| France | 12.06-12.12 | 12.08¾-12.10¾ | 2½-3½c dis | -2.97 | 10¼-11¼dis | -3.72 |
| Sweden | 11.44-11.48 | 11.45⅞-11.46⅞ | 1½-2ore dis | -1.83 | 4-4½ dis | -1.48 |
| Japan | 328-330½ | 328½-329½ | 0.80-0.75y pm | 2.83 | 2.35-2.20 pm | 2.76 |
| Austria | 27.82-27.97 | 27.87-27.92 | 7⅞-6gro pm | 2.93 | 23½-18½ pm | 2.97 |
| Switz. | 3.14-3.16½ | 3.15¼-3.16¼ | 1¾-1¼c pm | 5.70 | 4¾-4¼ pm | 5.70 |

Belgian rate is for convertible francs. Financial franc 82.15-82.25. Six-month forward dollar 0.28-0.33c dis. 12-month 0.67-0.77c dis.

### THE DOLLAR SPOT AND FORWARD

| Jan 27 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| UK† | 1.3995-1.4075 | 1.4030-1.4040 | 0.03-0.08c dis | -0.47 | 0.13-0.18dis | -0.44 |
| Ireland† | 1.0960-1.1010 | 1.0960-1.0970 | 0.24-0.20c pm | 2.40 | 0.67-0.58 pm | 2.30 |
| Canada | 1.2465-1.2483 | 1.2475-1.2480 | par-0.02c dis | -0.10 | 0.01pm-0.01dis | — |
| Nethlnd. | 3.1650-3.1770 | 3.1750-3.1770 | 1.00-0.90c pm | 3.60 | 2.85-2.75 pm | 3.54 |
| Belgium | 57.40-57.70 | 57.56-57.58 | 4½-6½c dis | -1.14 | 25-27 dis | -1.80 |
| Denmark | 10.20-10.24 | 10.23½-10.23¾ | ¼-¾ore dis | -0.59 | 1-1½ dis | -0.49 |
| W. Ger | 2.8110-2.8250 | 2.8225-2.8235 | 0.88-0.83pf pm | 3.64 | 2.65-2.60 pm | 3.72 |
| Portugal | 135.66-136.65 | 136.00-136.40 | 100-225c dis | -14.27 | 340-690dis | -15.07 |
| Spain | 158.76-159.25 | 158.95-159.05 | 120-140c dis | -9.80 | 390-435dis | -10.37 |
| Italy | 1,714-1,723 | 1,718-1,719 | 9½-10½lire dis | -6.88 | 29½-30½ dis | -7.03 |
| Norway | 7.8700-7.8900 | 7.8750-7.8800 | 2-2½ore dis | -3.43 | 6-6½ dis | -3.17 |
| France | 8.6025-8.6425 | 8.6225-8.6275 | 1.80-1.95c dis | -2.61 | 7.00-7.40dis | -3.34 |
| Sweden | 8.1600-8.1800 | 8.1650-8.1700 | 0.45-0.95ore dis | -1.03 | 1.90-2.40dis | -1.05 |
| Japan | 234.00-234.40 | 234.20-234.30 | 0.67-0.63y pm | 3.33 | 1.90-1.85y pm | 3.20 |
| Austria | 19.82-19.90½ | 19.89-19.90 | 5.90-5.30gro pm | 3.38 | 17¼-15¾ pm | 3.37 |
| Switz. | 2.2390-2.2490 | 2.2470-2.2480 | 1.20-1.16c pm | 6.31 | 3.40-3.36 pm | 6.02 |

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 58.55-58.60.

### OTHER CURRENCIES

| Jan 27 | £ | $ | | £ Note Rates |
|---|---|---|---|---|
| Argentina Peso | 36.35-36.41 | 25.89-25.92 | Austria | 27.75-28.05 |
| Australia Dollar | 1.5300-1.5350 | 1.0910-1.0920 | Belgium | 81.60-82.40 |
| Brazil Cruzeiro | 1,487.7-1,495.8 | 1,060-1,065 | Denmark | 14.27-14.41 |
| Finland Markka | 8.3410-8.3640 | 5.9470-5.9520 | France | 12.04-12.16 |
| Greek Drachma | 144.85-145.25 | 103.10-103.40 | Germany | 3.94-3.98 |
| Hong Kong Dollar | 10.94-10.95 | 7.8005-7.8025 | Italy | 2400-2440 |
| Iran Rial | 124.50* | 88.75* | Japan | 327-332 |
| Kuwait Dinar (KD) | 0.4130-0.4136 | 0.29450-0.29446 | Netherlands | 4.42-4.46 |
| Luxembourg Fr. | 80.75-80.85 | 57.56-57.58 | Norway | 11.00-11.11 |
| Malaysia Dollar | 3.2825-3.2885 | 2.3390-2.3405 | Portugal | 194-209 |
| New Zealand Dlr. | 2.1575-2.1625 | 1.5385-1.5410 | Spain | 223-233 |
| Saudi Arab. Riyal | 4.9260-4.9315 | 3.5100-3.5110 | Sweden | 11.40-11.51 |
| Singapore Dollar | 2.9870-2.9930 | 2.1300-2.1315 | Switzerland | 3.13-3.16 |
| Sth African Rand | 1.7758-1.7775 | 1.2650-1.2665 | United States | 1.39-1.41 |
| U.A.E. Dirham | 5.1535-5.1590 | 3.6720-3.6730 | Yugoslavia | 201-212 |

*Selling rates.

### EXCHANGE CROSS RATES

| Jan. 27 | Pound St'rling | U.S. Dollar | Deutsche m'k | Japanese Yen | French Franc | Swiss Franc | Dutch Guild | Italian Lira | Canada Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1. | 1.404 | 3.963 | 329.0 | 12.105 | 3.158 | 4.460 | 2411. | 1.752 | 80.80 |
| U.S. Dollar | 0.713 | 1. | 2.823 | 234.3 | 8.626 | 2.248 | 3.177 | 1719. | 1.248 | 57.57 |
| Deutschemark | 0.252 | 0.354 | 1. | 83.03 | 3.054 | 0.797 | 1.126 | 608.5 | 0.442 | 20.39 |
| Japanese Yen 1,000 | 3.040 | 4.266 | 12.04 | 1000. | 36.79 | 9.597 | 13.56 | 7328. | 5.324 | 245.6 |
| French Franc 10 | 0.826 | 1.160 | 3.274 | 271.8 | 10. | 2.609 | 3.685 | 1992. | 1.447 | 66.76 |
| Swiss Franc | 0.317 | 0.444 | 1.255 | 104.2 | 3.833 | 1. | 1.413 | 763.6 | 0.555 | 25.59 |
| Dutch Guilder | 0.224 | 0.315 | 0.888 | 73.77 | 2.714 | 0.708 | 1. | 540.6 | 0.393 | 18.12 |
| Italian Lira 1,000 | 0.415 | 0.582 | 1.644 | 136.5 | 5.020 | 1.310 | 1.850 | 1000 | 0.726 | 33.51 |
| Canadian Dollar | 0.571 | 0.801 | 2.262 | 187.8 | 6.910 | 1.803 | 2.546 | 1377. | 1. | 46.13 |
| Belgian Franc 100 | 1.238 | 1.737 | 4.904 | 407.2 | 14.98 | 3.908 | 5.520 | 2984. | 2.168 | 100. |

## MONEY MARKETS

# Further shortage

Day to day credit was in short supply in the London money market yesterday. The Bank of England forecast a shortage of around £700m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £317m and Exchequer transactions a further £80m. In addition, there was a rise in the note circulation of £246m and banks brought forward balances £65m below target.

The Bank invited an early round of assistance in view of the size of the shortage and gave help of £523m. This comprised purchases of £10m of eligible bank bills in band 1 (up to 14 days) at 9⅛ per cent and £21m in band 2 (15-33 days) at 9 per cent. In band 3 (34-63 days) it bought £34m of eligible bank bills at 8⅞ per cent and in band 4 (64-91 days) £90m at 8⅞ per cent. The Bank also arranged sale and repurchase agreements on £368m of bills at 9⅛ per cent, £176m for resale on January 31, £76m on February 1 and £116m on February 2.

Further help was given in the morning of £112m. This comprised purchases of £3m of eligible bank bills in band 1 at 9⅛ per cent and £44m in band 2 at 9 per cent. In band 3 it bought £35m of bills at 8⅞ per cent and in band 4 £1m of Treasury bills, £2m of local authority bills and £27m of eligible bank bills at 8⅞ per cent. The forecast was later revised to a shortage of around £750m, before taking into account the morning's help and the Bank gave further assistance in the afternoon of £101m. This comprised purchases of £43m of eligible bank bills at 9⅛ per cent in band 1 and £35m in band 2 at 9 per cent. In band 3 it bought £23m of eligible bank bills at 8⅞ per cent.

Three-month interbank money was quoted at 9⅜-9½ per cent unchanged from Thursday and three-month eligible bank bills were bid at 8⅞ per cent also unchanged from Thursday. Weekend interbank money traded between a high of 9⅞ per cent and a low of 7 per cent.

**UK clearing banks' base lending rate 9 per cent (since October 4 and 5)**

### LONDON MONEY RATES

| Jan. 27 1984 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Company Deposits | Market Deposits | Treasury (Buy) | Treasury (Sell) | Eligible Bank (Buy) | Eligible Bank (Sell) |
|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 7-9⅝ | 9-9⅛ | 8-9⅛ | 7-9⅛ | — | — | — | — |
| 2 days notice | — | — | 9-9⅛ | — | — | — | — | — | — |
| 7 days or 7 day notice | — | 9⅜-9⅞ | 9 9⅛ | 9⅜-9⅛ | 9-9⅛ | — | — | — | — |
| One month | 9¼ 9⅛ | [illegible] | 9⅛ | 9⅛ | 9 9⅛ | 9 9⅛ | 8⅞ | 9⅛ | 8⅞ |
| Two months | 9⅛-9¼ | [illegible] | 9⅛ | 9⅛ | 9-9⅛ | 8⅞ | 8⅞ | 8⅞ | 8⅞ |
| Three months | 9⅜-9⅜ | [illegible] | 9⅛ | 9-¼ | 9 9⅛ | 8⅞ | 8⅞-8⅞ | 8⅞ | 8⅞ |
| Six months | 9⅜-9⅜ | 9⅝ 9⅞ | 9⅛ | — | — | — | — | 9⅛ | 8⅞ |
| Nine months | 9⅛ 9⅛ | 9⅜ 9⅞ | 9-¼ | — | — | — | — | — | — |
| One year | 9⅛ 9⅞ | 9 ⅞ 10 | 9¾ | — | — | — | — | — | — |

| | Local Auth. negotiable bonds | Local Authority Deposits | Finance House Deposits | $ Cert of Deposits | SDR Linked Deposits | ECU Linked Deposits |
|---|---|---|---|---|---|---|
| One month | 9¾-9⅛ | — | 9⅛ | 9.4-9.5 | 8⅞-9 | 9-9⅛ |
| Two months | 9⅜-9⅛ | — | 9¼ | 9.45-9.55 | 8⅝-8⅞ | 9⅛-9⅜ |
| Three months | 9⅜-9⅛ | — | 9¼ | 9.45 9.55 | 8¾-9 | 9⅛ 9½ |
| Six months | 9⅛-9 | — | 9⅛ | 9.6 9.7 | 9-9¼ | 9⅜-9⅞ |
| Nine months | 9⅛-9⅜ | — | 9¾ | 9.8 10.6 | | |
| One year | 9⅛-9⅜ | — | 10 | 9.8 10.1 | 9¼-9½ | 9⅞-10⅛ |
| Two years | — | 10⅛ | | | | |
| Three years | — | 10½ | | | | |
| Four years | — | 10⅝ | | | | |
| Five years | — | 10⅞ | | | | |

ECGD Fixed Rate Export Finance Scheme IV. Average Rate for interest period December 7 1983 to January 3 1984 (inclusive) 9.492 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from January 1 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 8.8590 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month: 9½ per cent; one-three months 9¾ per cent; three-six months 10 per cent; six-12 months 10¼ per cent. Under £100,000 9½ per cent from January 12. Deposits held under Series 4-5 10¼ per cent. The rate for all deposits withdrawn for cash 8 per cent.

### FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. January 27)

| 3 months U.S. dollars | |
|---|---|
| bid 9 11.16 | offer 9 13.16 |

| 6 months U.S. dollars | |
|---|---|
| bid 9 7.8 | offer 10 |

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

### EURO-CURRENCY INTEREST RATES (Market closing rates)

| Jan. 27 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | Swiss Franc | D-mark | French Franc | Italian Lira | Belgian Franc Conv. | Belgian Franc Fin. | Yen | Danish Kroner |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Short term | 9⅛-9¼ | 9⅜-9⅝ | 9⅜-9⅞ | 5⅞-6 | ⅝-¾ | 5⅝-5¾ | 11¾-12 | 15¾-16¾ | 9¾-10¼ | 10-10½ | 6⅛-6⅜ | 10⅝-11 |
| 7 days' notice | 9⅛-9¼ | 9⅜-9⅝ | 9⅜-9⅞ | 5⅞-6 | 5⅛-5⅜ | 5⅜ 5⅜ | 11⅞-12⅛ | 15½-17 | 10-10½ | 10¼-10½ | 6⅛-6⅜ | 10¼-11 |
| Month | 9⅛-9¼ | 9½-9⅝ | 9½-9⅞ | 5⅞-6 | 3⅛-3⅜ | 5⅜ 5½ | 12⅛-12⅜ | 16½-17¼ | 10⅝-11⅛ | 10⅝ 10⅝ | 6⅛-6⅜ | 11⅛-11 |
| Three months | 9⅜-9½ | 9⅝-9⅞ | 9⅝-9⅞ | 6-6⅛ | 3½-3⅝ | 5⅞-6 | 12⅞-13⅛ | 16⅞-17⅝ | 11⅛-11⅛ | 10⅞-11⅛ | 6⅛-6⅜ | 11-11 |
| Six months | 9⅜-9⅞ | 9⅞-10⅛ | 9¾-10 | 6⅛ 6¼ | 3⅞-4 | 6⅛-6⅛ | 13⅞-14 | 17¼-17¾ | 11½-12 | 11½-11⅝ | 6⅛ 6⅜ | 11-11 |
| One year | 9⅞-10 | 10⅛-10⅛ | 10-10¼ | 6⅛-6⅝ | 4⅛ 4½ | 6⅜-6½ | 14⅜-14⅝ | 17¾-18½ | 11½-12 | 11½-11⅝ | 6½ 6⅞ | 11-11 |

Asian $ (closing rates in Singapore): Short-term 9½-9⅝ per cent; seven days 9⅝-9¹¹⁄₁₆ per cent; one month 9⅝-9¾ per cent; three months 9¹³⁄₁₆-9¹⁵⁄₁₆ per cent; six months 9⅞-10 per cent; one year 10¼-10⅜ per cent. Long-term Eurodollars two years 10⅞-11⅛ per cent; three years 11⅛-11⅜ per cent; four years 11⅝-12⅜ per cent; five years 12-12¼ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen, others two days' notice.

# COMMODITIES AND AGRICULTURE

## WEEKLY PRICE CHANGES

| | Latest prices per tonne unless stated | Ch'nge on week | Year ago | 1983-8 High | 1983-8 Low |
|---|---|---|---|---|---|
| [illegible] | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Sisal No. 3L | $630u | — | $625/635 | $675 | $620/630 |
| Sugar (Raw) | £126wy | -7 | £109 | £193.5 | £95 |
| Tapioca No. 1 | £320w | — | £275 | £320 | £315 |
| Tea (quality) kilo | 340p | -25 | 154p | 375p | 137p |
| (low med.) kilo | 232p | -38 | 125p | 270p | 115p |
| Wooltops, 64s Super | 454p kilo | — | 394p kilo | — | — |

‡ Unquoted. (x) Feb. (y) March. (v) April. (z) May. (w) Jan-Feb. (u) Feb-March. (g) Madagascar. § Ghana cocoa.

## REVIEW OF THE WEEK

# Earthquake pushes zinc to new high

BY OUR COMMODITIES STAFF

AFTER EASING somewhat in the week zinc prices leapt to new 9½-year highs yesterday encouraged by news of an earthquake in Peru, the world's fourth biggest producing country. On the London Metal Exchange (LME) cash metal ended up £21 on the day and £15.50 on the week at £712 a tonne.

The rise accelerated when the previous high of £695 a tonne was reached and again when the psychologically important £700 barrier was breached prompting heavy chart-inspired speculative buying.

The Peruvian earthquake also influenced buyers on the copper market and with reports of continued physical demand from Japan giving added encouragement the cash high-grade price rose to £991.50 a tonne, up £10 on the day and £28 on the week.

Another bullish influence on the copper market was Monday's news that LME stocks fell 12,275 tones last week, the biggest fall for months.

The cocoa market had a relatively quiet week by its own recent standards but it still managed to reach a five-year high of £2,050 a tonne in the May position during the day on Monday. This rise, which was due to reports, later confirmed, that the Ivory Coast had requested shipment delays because of crop problems, was quickly retraced and the market traded quietly until a £21 gain yesterday left May cocoa £23 up on the week at £1,999.50 a tonne.

Confusion still reigns about 1983/84 Ivory Coast and world crop prospects. A report by London merchants Gill and Duffus put the Ivory Coast total at 360,000 tonnes, near the middle of the range of recent trade forecasts. But then the country's agriculture minister said the crop would be the lowest for six years, indicating that it would be below 1978/79's 312,000 tonnes.

G & D forecast the world 1983/84 cocoa crop deficit against consumption at 92,000 tonnes, which accorded with most traders ideas. But yesterday a French trade house, Goldschmidt et Fils, predicted a deficit of 185,000-195,000 tonnes. Most dealers thought this figure was exaggerated, however, and yesterday's rise was thought to be in response to talk of power cuts in the Ivory Coast and Ghana.

Continuing tight physical supplies pushed coffee prices to 6¼-year highs on Monday but values eased back, possibly influenced by the fact that any further rise could have pushed them to levels at which an extra 1m tonnes of export quotas would have been released under the International coffee agreement.

Natural rubber prices continued their gentle rise with the RSS No. 1 spot position on the London physical market reaching a 4-year high of 89.5p a kilo, only 0.5p short of the all-time high. Weakness of sterling has been responsible for much of the recent rise but this week's 2p advances was thought to have been influenced by rumours of Soviet buying.

## BASE METALS

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £986.50 three months £1,012, 13, 12.50, 12, 11, 11.50, 11, 10.50, 10. Cathodes: Cash £979, three months £998. Kerb: Higher Grade, Three months £1,009, 9.50, 10, 11. Afternoon: Higher Grade: Cash £992, three months £1,016, 16.50, 17, 17.50, 18, 17.50, 15.50, 16, 15.50. Kerb

### COPPER

| COPPER High Grde | a.m. Official £ | + or — £ | p.m. Unofficial £ | + or — £ |
|---|---|---|---|---|
| Cash | 986-.5 | +8.5 | 991-2 | -10 |
| 3 months | 1010-.5 | +7.5 | 1015.5-6 | +8.5 |
| Settlem't | 986.5 | +8.5 | — | — |
| Cathodes Cash | 978-9 | +7 | 983-4 | +8 |
| 3 months | 999-.5 | +10.5 | 1002.5-3 | +8.25 |
| Settlem't | 979 | +7 | — | — |
| U.S. pro'd | — | — | *65-68 | ..... |

### TIN

| TIN High Grde | a.m. Official £ | + or — £ | p.m. Unofficial £ | + or — £ |
|---|---|---|---|---|
| Cash | 8740-50 | +7.5 | 8715-25 | -5 |
| 3 months | 8810-20 | +5 | 8805-15 | -7.5 |
| Settlem't | 8750 | +10 | — | ..... |
| Standard Cash | 8635-5 | ..... | 8630-40 | -10 |
| 3 months | 8780-1 | -.5 | 8775-6 | -12 |
| Settlem't | 8636 | ..... | — | ..... |
| Straits E. | $29.15 | — | — | ..... |
| New York | | | | |

Tin—Morning: Standard: Cash £8,635, 36 three months £8,780, 85, 81, 80. High Grade: Cash £8,745, 40. Kerb: Standard: Three months £8,780, 81, 80, 75. Afternoon: Standard: Three months £8,780, 75. Kerb: Standard: Three months £8,775, 70, 72. Turnover: 2,485 tonnes.

### LEAD

| LEAD | a.m. Official £ | + or — £ | p.m. Unofficial £ | + or — £ |
|---|---|---|---|---|
| Cash | 280-1 | +2.85 | 280-1 | -2.25 |
| 3 months | 288.5-9 | +5 | 288-.5 | +1.5 |
| Settlem't | 281 | +5.25 | — | ..... |
| U.S. Spot | — | ..... | *24-28 | ..... |

Lead — Morning: Three months £290.50, 90, 89.50, 89, 88.50. Afternoon: Three months £291, 91.50, 91, 90, 89, 88.50, 88.25. Kerb: Three months £289. Turnover: 6,525 tonnes.

### ZINC

| ZINC | a.m. Official £ | + or — £ | p.m. Unofficial £ | + or — £ |
|---|---|---|---|---|
| Cash | 708-10 | +20.5 | 711-3 | +21 |
| 3 months | 702-.5 | +16 | 705.5-4 | +16 |
| Settlem't | 710 | +21 | — | ..... |
| Primw'ts | — | ..... | *49-51 | ..... |

Zinc—Morning: Three months £702, 3, 4, 3.50, 3, 2.50, 2. Kerb: Three months £703, 4. Afternoon: Three months £708, 3, 8, 7, 5, 4, 3.50, 4, 5, 4, 5, 4, 3.50, 4. Kerb: Three months £705, 6, 5.50, 5, 4.50, 5, 4. Turnover: 14,700 tonnes.

### ALUMINIUM

| Aluminium | a.m. Official £ | + or — £ | p.m. Unofficial £ | + or — £ |
|---|---|---|---|---|
| Spot | 1077.5 | -2 | 1079.5-80.5 | +6 |
| 3 months | 1104.5 | +1.5 | 1106.5-7 | +5.5 |

Aluminium—Morning: Cash £1,077, three months £1,103, 3.50, 9, 8.50, 8, 6, 5, 4, 4.50. Kerb: Three months £1,105, 6. Afternoon: Three months £1,112, 11.50, 11, 10.50, 9.50, 10, 10.50, 11, 10, 9, 8, 7, 6, 5, 6, 6.50, 6, 7, 6.50, 6, 7. Kerb: Three months £1,108, 8.50, 9, 8, 7, 6, 7. Turnover: 24,475 tonnes.

### NICKEL

| NICKEL | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| Spot | 3304-7 | -15 | 3315-20 | -7 |
| 3 months | 3385-4 | -14.5 | 3395-8 | -6 |

Nickel — Morning: Three months £3,380, 85, 86, 87. Afternoon: Three months £3,385, 90, 95, 98. Kerb: Three months £3,400, 10, 15, 10. Turnover: 480 tonnes.

* Cents per pound. ‡ MS per kilo. † On the previous unofficial close.

### SILVER

Silver was fixed 1.35p an ounce higher for spot delivery in the London bullion market yesterday at 578.5p. U.S. cent equivalents of the fixing levels were: spot 812.5c, down 0.7c; three-month 831.5c, down 0.5c; six-month 853.2c, down 0.2c; and 12-month 888.9c, down 0.5c. The metal opened at 576½-579½p (810-814c) and closed at 584-587p (820-824c).

| SILVER per troy oz. | Bullion fixing price | + or — | L.M.E. p.m. Unoffic'l | + or — |
|---|---|---|---|---|
| Spot | 578.50p | -1.55 | 588.75p | -13.7 |
| 3 months | 591.40p | -1.55 | 603.25p | +13.7 |
| 6 months | 606.20p | -1.75 | — | ..... |
| 12months | 636.75p | -1.75 | — | ..... |

LME—Silver (2,000 oz contract): Three months 602.25p (588.5p). Turnover: 2 (0).

Turnover 54 (40) lots of 10,000 ozs. Morning: Large three months 592.5, 93.0, 92.9. Kerb: large three months 593.0, 94.0. Afternoon: large three months 599.5, 600.0, 600.5, 01.0, 02.0; small three months 603.0. Kerb: large three months 600.0, 01.0, 01.5, 01.0.

### COCOA

| COCOA | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| March | 2002-03 | -21.0 | 2037-97 |
| May | 1999-00 | -21.0 | 2032-93 |
| July | 1971-72 | -19.5 | 1998-70 |
| Sept | 1950-55 | -25.5 | 1970-48 |
| Dec | 1909-10 | -23.0 | 1934-08 |
| March | 1891-95 | -29.5 | 1926-85 |
| May | 1878-79 | -27.5 | 1900-78 |

Sales: 7,711 (9,013) lots of 10 tonnes.

ICCO Indicator prices (U.S. cents per pound). Daily prices for Jan 27: 122.06 (122.27); five-day average for Jan 30: 122.65 (122.18).

### COFFEE

| COFFEE | Yest'day's Close | + or — | Business Done |
|---|---|---|---|
| January | 2080-90 | -16.0 | 2085-50 |
| March | 2085-88 | -12.0 | 2104-85 |
| May | 1975-80 | -5.0 | 1992-75 |
| July | 1916-20 | -5.0 | 1928-14 |
| Sept | 1870-80 | -7.0 | 1880-75 |
| Nov | 1831-35 | -14.5 | 1844-33 |
| January | 1805-10 | -8.0 | 1819-16 |

Sales: 2,421 (2,598) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) for Jan 26: Comp. daily 1979 140.23 (same); 15-day average 133.42 (132.17).

## GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent Feb 147.25, March 147.90, April/May 138.50 East Coast sellers. English feed fob March 124 East Coast seller. Maize: French Jan/Feb 146.50 East Coast seller. Barley: English feed fob March 123.50 East Coast seller. Rest unquoted.

WHEAT / BARLEY

[illegible]

## INDICES

### FINANCIAL TIMES

| Jan. 26 | Jan. 25 | M'th ago | Y'ar ago |
|---|---|---|---|
| 295.52 | 296.06 | 297.02 | 255.55 |

(Base: July 1 1952=100)

### REUTERS

| Jan. 27 | Jan. 26 | M'th ago | Y'ar ago |
|---|---|---|---|
| [illegible] | | | |

### MOODY'S

[illegible]

### DOW JONES

[illegible]

## POTATOES

[illegible]

## SOYABEAN MEAL

[illegible]

## RUBBER

[illegible]

## SUGAR

[illegible]

## WOOL FUTURES

[illegible]

## LONDON OIL

### CRUDE OIL FUTURES

| Month | Yest'day's close | + or — | Business Done |
|---|---|---|---|
| | $ U.S. per brl | | |
| Feb | — | — | — |
| Mar | 29.32 | +0.07 | 29.50 |
| Apr | 29.30 | +0.20 | 29.30-29.28 |
| May | 29.17 | +0.12 | 29.25-29.10 |
| June | 29.02 | +0.10 | — |
| July | 29.03 | -0.10 | — |

Turnover: 32 (18) lots of 1,000 barrels.

### SPOT PRICES

| | Latest | Change + or — |
|---|---|---|
| CRUDE OIL—FOB ($ per barrel) | | |
| Arabian Light | 28.60-28.70 | — |
| Iranian Light | 27.70-27.90 | — |
| Arab Heavy | 26.35-26.45 | — |
| North Sea (Forties) | 29.60-29.95 | +0.17 |
| North Sea (Brent) | 29.80-30.05 | +0.25 |
| African Bonny L'ht | 29.50-29.70 | -0.01 |
| PRODUCTS—North West Europe ($ per tonne) | | |
| Premium gasoline | 270-275 | -2.5 |
| Gas Oil | 260-265 | -3 |
| Heavy fuel oil | 174-178 | — |

## GOLD MARKETS

Gold rose $2 an ounce from Thursday's close in the London bullion market yesterday to finish at $369-369½. The metal opened at $366½-367 and traded between a high of $371½-372½ and a low of $365½-$365¾. Demand for gold materialised during the afternoon after better than expected U.S. trade figures.

### GAS OIL FUTURES

A limit-up close in New York brought London in around $3.00 higher on an active opening. Activity for the rest of the morning was light, with prices in a narrow range. On the re-opening, London moved quickly to the highs on a strong U.S. opening but dropped back as last in general selling, reports Premier Man.

| Month | Yest'day's close | + or — | Business Done |
|---|---|---|---|
| | $ U.S. per tonne | | |
| Jan | 261.50 | +1.00 | 262.50-261.5 |
| Feb | 258.00 | +3.00 | 258.50-256.0 |
| Mar | 250.25 | +2.25 | 252.00-246.2 |
| April | 243.50 | +2.25 | 244.50-242.8 |
| May | 238.25 | +1.00 | 240.25-237.5 |
| June | 238.00 | +2.50 | 239.25-236.8 |
| July | 239.00 | +1.75 | 239.50 |
| Aug | 242.00 | -3.00 | 242.00 |
| Sept | 243.25 | -3.25 | — |

Turnover: 2,371 (2,290) lots of 100 tonnes.

### LONDON FUTURES

| Month | Yest'day's close | + or — | Business Done |
|---|---|---|---|
| | $ per troy ounce | | |
| Feb | 362.50-70.00 | +2.85 | 372.00-66.00 |
| April | 375.00-76.50 | +3.00 | 378.00-71.00 |
| June | 380.00-86.00 | +1.85 | 383.60 |
| Aug | 387.80-88.50 | +2.65 | 388.00-85.00 |
| Oct | 390.00-97.00 | +0.50 | — |
| Dec | 400.00-04.00 | +2.25 | — |

Turnover: 602 (383) lots of 100 troy ounces.

| | Jan. 27 | | Jan. 26 | |
|---|---|---|---|---|
| Gold Bullion (fine ounce) | | | | |
| Close | $369-369½ | (£262¾-263¼) | $367-367½ | (£260¾-261¼) |
| Opening | $366½-367 | (£260¾-261¼) | $368-368½ | (£261¼-261¾) |
| Morning fixing | $366.65 | (£260.831) | $368.40 | (£261.518) |
| Afternoon fixing | $370 | (£263.308) | $367 | (£260.931) |

| Gold and Platinum Coins Jan. 27 | | | | | |
|---|---|---|---|---|---|
| Krugrnd | $380¼-381¼ | (£271¼-271¾) | King Sov | $90-91½ | (£64-65) |
| ½ Krug. | $196¼-197 | (£139½-140¼) | Victoria Sov | $90-91½ | (£64-65) |
| ¼ Krug. | $100¼-101 | (£71½-72) | French 20s | $73-74¼ | (£52-53¼) |
| 1/10 Krug. | $41-41¾ | (£29¼-29¾) | 50 Pesos Mex | $455-457 | (£324-325½) |
| Mapleleaf | $380¼-381¼ | (£271¼-271¾) | 100 Cor Aust | $360-364 | (£256½-259¼) |
| New Sov | $87-87¼ | (£62-62½) | $20 Eagles | $530-540 | (£377½-384½) |
| ½ New Sov. | $52-52¾ | (£37-37½) | Noble Plat | $393¼-397½ | (£280-283¼) |

## AMERICAN MARKETS

NEW YORK, January 27.

Heating oil prices continued their extreme backwardation on indications that product of deliverable quality was in tight supply, reports Heinold Commodities. Precious metals were moderately higher after a strong opening; short-covering and bottom hunting were the main forces behind the recovery although early strength could not be maintained. Copper prices were strong on arbitrage buying and Japanese trade buying which touched off short-covering. Aluminium was strong on short-covering ahead of the weekend primarily in anticipation of Reagan's re-election speech. Sugar prices declined on late liquidation after trade support was exhausted and buying orders dried up. Coffee prices were nominally higher in a technical reaction to the oversold market of recent days. Cocoa prices were fractionally higher on weekend evening-up with commission house profit-taking tilting the close into slight net gains. Cotton prices were strong on reports of Soviet purchases with short-covering and technical buying the main forces of support. Soyabeans recovered moderately from three days of heavy downside pressure; the market is still trying to sort out the conflict between a bearish crop report and a bullish stock report. Maize finished fractionally lower after struggling all day to maintain the nominal gains. Wheat sold off moderately on active local and professional spreading.

## NEW YORK

### ALUMINIUM 40,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| March | 74.25 | 74.85 | 74.00 | 73.40 |
| May | 75.20 | 75.45 | 75.25 | 74.15 |
| July | 76.25 | 76.00 | 76.00 | 75.15 |
| Sept | 77.35 | — | — | 76.20 |
| Dec | 78.95 | — | — | 77.75 |
| Jan | 79.50 | — | — | 78.30 |
| March | 80.60 | — | — | 79.40 |
| May | 81.70 | — | — | 80.50 |
| July | 82.80 | 83.50 | 83.50 | 81.60 |
| Sept | 83.90 | — | — | 82.70 |

### COCOA 10 tonnes, $/tones

| | Close | High | Low | Prev |
|---|---|---|---|---|
| March | 2660 | 2710 | 2646 | 2664 |
| May | 2630 | 2679 | 2620 | 2636 |
| July | 2605 | 2640 | 2593 | 2615 |
| [illegible] | | | | |

### COFFEE "C" 37,000 lb, cents/lb

[illegible]

### COPPER 25,000 lb, cents/lb

[illegible]

### COTTON 50,000 lb, cents/lb

[illegible]

### CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

[illegible]

### GOLD 100 troy oz, $/troy oz

[illegible]

### HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

[illegible]

### ORANGE JUICE 15,000 lb, cents/lb

[illegible]

### PLATINUM 50 troy oz, $/troy oz

[illegible]

### SILVER 5,000 troy oz, cents/troy oz

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Feb | 831.5 | 833.0 | 806.5 | 808.5 |
| March | 838.0 | 848.0 | 812.0 | 815.0 |
| May | 852.1 | 862.0 | 826.0 | 828.8 |
| July | 866.3 | 875.0 | 841.0 | 842.7 |
| Sept | 880.8 | 881.0 | 854.0 | 856.9 |
| Dec | 903.0 | 910.0 | 885.0 | 878.5 |
| Jan | 910.7 | 897.0 | 896.5 | 908.5 |
| March | 926.2 | 926.0 | 918.0 | 901.0 |
| May | 942.4 | — | — | 916.6 |
| July | 959.1 | — | — | 933.1 |

### SUGAR WORLD "11" 112,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| March | 7.42 | 7.66 | 7.35 | 7.56 |
| May | 7.71 | 7.95 | 7.65 | 7.85 |
| July | 8.03 | 8.27 | 8.01 | 8.23 |
| Sept | 8.29 | 8.49 | 8.37 | 8.45 |
| [illegible] | | | | |

## CHICAGO

### LIVE CATTLE 40,000 lb, cents/lb

[illegible]

### LIVE HOGS 30,000 lb, cents/lb

[illegible]

### MAIZE 5,000 bu min, cents/56-lb bushel

[illegible]

### PORK BELLIES 38,000 lb, cents/lb

[illegible]

### SOYABEANS 5,000 bu min, cents/60-lb bushel

[illegible]

### SOYABEAN MEAL 100 tons, $/ton

[illegible]

### SOYABEAN OIL 60,000 lb, cents/lb

[illegible]

### WHEAT 5,000 bu min, cents/60-lb bushel

[illegible]

SPOT PRICES—Chicago loose lard 20.00 (20.00) cents per pound. New York tin 666.0-672.0 (666.0-672.0) cents per pound.

Details of business done below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡ Bargains at special prices. ⊕ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

## UK PUBLIC BOARDS

## COMMONWEALTH GOVT.

## FOREIGN STOCKS (coupons payable London)

## CORPORATION-FOREIGN

## BANKS, DISCOUNT

## BREWERIES

## COMMERCIAL INDUSTRIAL

### A—B

### C—D

### E—F

### G—H

### I—K

### L—M

Leigh Interests 10pcLn 1984-85 £91 (20/1)
Lewis (John) 5pc1stPf (£1) 45
Lewis (John) Partnership 5pcPf (£1) 49 ½ (23/1). 7½pcPf (£1) 64
Lewis's Investment Trust 6½pcDb 1985-90 £81¼ 2
Lex Service 2ndSerWats 217 25 (23/1). 8½pcLn 1992-97 £86
Ley's Foundries Engineering 6pcPf (£1) 31 (24/1)
Liberty 6pc Pf (£1) 48
Lindustries 6¼pcDb 1984-89 £80¼ (23/1)
Linread 8pcLn 1987-92 £61 (20/1)
Lister 5pcPf (£1) 40½ (23/1). 4pcDb £34 (23/1)
Lloyd (F H.) 7¼pcLn 1981-91 £71½
London Brick 8pcPf (£1) 77. 14pcLn 1984 £565 (25/1)
London Cremation 10pcPf (£1) 60 (20/1)

### N—O—P

### Q—R—S

### T—U—V

Unitex Hldgs (10p) 47 (23/1)
Unigate 6pcPf (£1) 55 (24/1). 5½pcDb 1983-88 £81¼ (23/1). 7¼pcDb 1986-91 £82. 5pcLn 1991-96 £58¼ (24/1). 6½pcLn 1991-96 £69
Unilever 7pc1stPf (£1) 67 (20/1). 6½pcDb 1985-88 £87 ¼. 5½pcLn 1991-2006 £52¼ (24/1). 7¾pcLn 1991-2006 £71 ½ 2 ¼
Union Intnl 6pcPf (£1) 41 ½. 7pcPf (£1) 48 9 (20/1)
Uniroyal 5pcPf (£1) 30. 5pcPf (£1) 30. 4½pcDb £29½
United Biscuits (Hldgs) 8pcDb 1993-98 £78 (24/1). 5¼pcLn 2003-08 £42 ½ 9
United Gas Industries 8pcLn 1983-86 £96 (24/1). 10¼pcLn 1998-2003 £87 (24/1)
United Glass Hldgs 7¼pcDb 1987-90 £83¼ (25/1)
United Wire Gp 5pcPf (£1) 30

### W—Y—Z

## FINANCIAL TRUSTS

## INSURANCE

## INVESTMENT TRUSTS

## UNIT TRUSTS

## MINES-MISCELLANEOUS

## MINES-SOUTH AFRICAN

## OIL

## PROPERTY

Bradford Property Tst 10½pcPf (£1) 117 (20/1)
British Land 15pc1stDb 1987 £112½. 12pcLn 2002 £371 6 3
Capital Counties 9½pcLn 1991-96 £85 ½
Centrovincial Estates 6¼pcLn 1988-93 £66½
Chalwood Alliance Hldgs 7½pcLn (50p) 31½
Churchbury Estates 9pcLn 2000 £79
Colman (E. A.) Invest 8pcLn 1991-96 £540
Country New Town Prop (10p) 74 5
Dares Estates 6¼pc1stDb 1988-93 £76½. 8pcLn 1992-97 £76½
English Property Corp 7½pc1stDb 1992-97 £75½ (24/1). 7pcLn 1998-2003 £58 (24/1). 12pcLn 2000-05 £113 (25/1)
Espley-Tyas Prop Group 11½pcLn 1988 £100
Estates Prop Invest 7½pcLn 1989-92 £77

## SHIPPING

Peninsular and Oriental 5pcPfd £58½ 60 1
Southampton IOW and SOE RM Steam (50p) 195

## UTILITIES

Alliance and Dublin Consumers' Gas 4pcDb (£1) £22
Barton Transport Dfd (160p) 108
Calcutta Elec Supply Corp (India) 7½pcPf (Rs10) 27
Electricite de France 12½pcLn 2008 (Reg) £108
Felixstowe Dock and Railway 9.5pcPf 1984 £104 (20/1)
GTE Corp ($3.333) $42⅛ (24/1)
Jersey Electricity A (£1) 102 12
Manchester Ship Canal 5pcPf (£1) 36 (23/1)
Mersey Docks and Harbour Cmbd Units

## WATER WORKS

## PLANTATIONS

## UNLISTED SECURITIES MARKET

## RAILWAYS

Synterlals (10p) 87½ Dwb. New (10p) 88 (25/1)
Television 5th 14/20pcLn 1986-88 £115½
Thorpac Grp (5p) 80 (24/1)
Towngrade Secs (20p) 30⊕
Tyne Tees Television Hldgs A (£1) 450‡ 50 ½ 3 5
Utd Friendly Insc B (10p) 267
Welpac (10p) 180. New (10p) 17 ½ 8

## RULE 163 (4) (a)

**Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List**

ACI Intl 118 (25/1)
AOG Mins 10
Aberfoyle A350 40 (25/1)
Abitibi-Price £15¼ (23/1)
Acmex Hldgs 58 (20/1)
Acorn Secs 28 (25/1)
Adobe Oil and Gas £15½⊕ (25/1)
Agnico-Eagle Mines 875 87½
Algoma Steel Corp £16⅝ (20/1)
Alliance Oil Devpt 51 (24/1)
Allied Stores Corp £32⅛ (23/1)
American Home Prods £56¼ (24/1)
Ampol 117⊕
Amsterdam-Rotterdam Bank £17.65 17.70 (25/1)
Ashton Mng 76⊕ 7
Associated Dry Goods Corp US$54¼ (24/1)
Atlantic Richfield £30⅝ (23/1)
Atlas Indus 76⊕ 7
Aust Foundation Inv 114⊕ 18⊕ (25/1)
Aust National Indus 173⊕ (25/1)
Aust Oil and Gas 79 82½
Bancal Tri-State Corp US$47¼⊕ (25/1)
Base Res 94 6
Basic Res Int (Bahamas) 82
Bass Strait Oil and Gas 8⊕ (20/1)
Bayerische Motoren Werke DM 427½⊕ (24/1)
Beach Pet 29⊕ 32⊕ 30
Bell Indus £23¾ (20/1)
Beneficial Corp £18⊕
Beverly Enterprises £17½⊕ (23/1)
Boral Ord 220 (20/1)
Bounty Invs 142⊕
BP Res Canada £13
Brambles Indus 212
Bristol-Myers £30⅝
Buddha Gold Mines 7½⊕ ½ ¾ ¾ 6 8‡
CSF (Thomson-CSF) FFr313.10⊕ 319.90⊕
Canadian Lencourt Mines 9⊕ 8 (23/1)
Carlton and United Brews 244 5
Carnation £40½ (24/1)
Carrefour £126½⊕ (23/1)
Central Norseman Gold 420

## RULE 163 (2)

**Applications granted for specific bargains in securities not listed on any Stock Exchange**

Continued on Page 23

## Insurances—continued

## Offshore & Overseas—continued

## Money Market Trust Funds

## Money Market Bank Accounts

هكذا من الأصل

# Vatican bank makes disposal

By James Buxton in Rome

ISTITUTO per le Opere di Religione (IOR), the Vatican Bank, which is expected shortly to make an ex gratia payment to the liquidators of the defunct Banco Ambrosiano, has sold its stake in one of Italy's leading construction companies, Vianini.

Vianini, yesterday, confirmed that three blocks of shares, accounting for 75 per cent of the capital of Vianini, have been sold to a Roman construction group headed by Sig Franco Caltagirone.

The IOR held 32 per cent of Vianini, and Etafintra, a finance company, held 20 per cent. Another 23 per cent as owned by Immobiliare Tirrena, chaired by the current chairman of Vianini, Sra Anna Carolina Morelli.

The value of the deal, involving about 6.2m shares, is not known, but could be in excess of L50bn ($29m) of which IOR and Etafintra would receive more than L34bn. The shares, which are quoted on the Rome stock exchange, closed at L5,400 yesterday, but it is believed that the price at which the IOR sold the shares was higher than this.

IOR needs to raise money if it is to make a payment to the liquidators of Banco Ambrosiano in respect of the debt incurred by the bank on loans to phoney companies guaranteed by IOR. The Vatican denies any liability but is expected to make a "goodwill" payment of about $230m, which will help meet the claims of the creditors of Banco Ambrosiano's overseas subsidiaries. It is attempting to raise a loan for in excess of this

Vianini is Italy's fourth largest construction company, with turnover of L388bn in 1982

Yesterday Vianini stressed that its new owners had nothing to do with Sig Francesco Caltagirone, another Roman construction magnate whose company was involved in political and financial scandals some years ago.

# Coastal launches $1.3bn bid for Houston Nat. Gas

BY PAUL TAYLOR IN NEW YORK

COASTAL, THE U.S. refining, marketing and gas transmission group, has launched a $68 a share bid, worth $1.3bn for Houston Natural Gas, another oil and gas pipeline operator.

Coastal, which already owns more than 5 per cent of Houston Natural, is making a tender offer for more than 45 per cent of the outstanding 41m shares. This would lift its stake in the company to 50.7 per cent. The offer values Houston Natural at around $2.8bn.

Mr Oscar Wyatt, chairman and chief executive, explaining the logic of tender offer said, yesterday, that a merger between the two companies "would be highly desirable and would result in a financially sound and well balanced company."

He added that the price represents "a significant premium over recent market prices" for Houston Natural's shares, which closed $5.50 higher, at $56.375 a share, in trading on Thursday.

Coastal had profits of $65.6m on revenues of $5.8bn in 1982 and reported an earnings surge in 1983, it had been widely expected to make a bid for another oil and gas company following its failed bid last year for Texas Gas Resources when it was beaten in a bid battle by CSX.

It emerged from the battle with CSX with a $18m peace payment from CSX, $400m in cash reserves and a $600m line of bank credit.

A merger between the two companies is seen by industry analysts as a natural fit. Coastal is believed to want to expand its own proven oil and gas reserves and Houston Natural's existing reserves and 4.950 mile Texas Gulf Coast area would transmission network in the enhance, coastal's own reserves and system and provide additional feedstock

# WestLB chief to oversee leasing group's reshaping

BY JOHN DAVIES IN FRANKFURT

HERR FRIEDEL NEUBER, chief executive of Westdeutsche Landesbank (WestLB), is personally to supervise the affairs of Deutsche Anlagen-Leasing (DAL), the troubled West German leasing concern. He has taken over the chairmanship of DAL's supervisory board, which overseas the management.

Herr Neuber is taking the place of Dr Heinrich Viefers, one of two executives who have resigned from the management board of WestLB, West Germany's third largest bank. Their departure comes in the wake of heavy write-offs and risk provisions which have taken up virtually all the bank's record DM 1.1bn ($390m) operating profit for 1983.

DAL, in which WestLB has a 30 per cent stake, is one of the bank's main worries because of the emergence of large-scale risks and write-offs in the leasing business.

The other shareholders in DAL are Landesbank Rheinland-Pfalz (26.6 per cent), Bayerische Landesbank (16.7 per cent), Hessische Landesbank (16.7 per cent) and Dresdner Bank (10 per cent).

DAL's problems came to a head last September, when the consortium of banks agreed to provide a rescue package.

Three top executives of DAL later departed

WestLB is bearing 40 per cent of a DM 224m aid package to cover risks for 1982. It will bear 30 per cent of the provisions for 1983, estimated at about DM 400m.

# McDonnell Douglas posts 28% advance

By Terry Byland in New York

McDONNELL DOUGLAS, the civil and military aerospace group, posted a 28 per cent gain in net earnings to $274.9m or $6.91 a share last year, from $214.7m or $5.44. Sales rose from $7.3bn to $8.1bn.

The profits improvement came from higher volume sales, cost reductions and increased productivity, the board said, with most of the sales gain coming from the combat aircraft divisions.

In the final quarter, the group pushed earnings ahead from $60.9m or $1.54 a share to $82.6m or $2.07 on sales of $2.1bn against $1.9bn.

Profits will be adversely affected this year and perhaps in 1985 by costs linked to the protracted strike at McDonnell's plant at Long Beach, California,

# Sentrachem to sell PVC interests

By Jim Jones in Johannesburg

SOUTH AFRICA'S second largest chemicals group, Sentrachem, says it sees no possibility of an improvement in the domestic polyvinyl chloride (PVC) market. As a result it is to sell its 40 per cent interest in the Coalplex PVC plant to the plant's 60 per cent controlling shareholder AECI for R60m ($47.5m).

Coalplex, which produces PVC from anthracite and salt, was commissioned in 1978 at a cost of R230m but has never contributed to Sentrachem's profits, largely because the PVC market did not develop as originally expected. Coalplex's production figures have not been disclosed.

Sentrachem financed its interest in Coalplex with debt, whereas AECI used equity funds. Rising interest rates have placed an already heavily borrowed Sentrachem in the untenable position.

Coalplex is not generating profits and Sentrachem expects the PVC market to deteriorate further, with increased competition as import controls are replaced by duties.

Sentrachem will suffer a loss of R3m on the book value by the sale. However, reinvestment of the funds, coupled with the avoidance of further trading losses, is expected to compensate for this within a year.

Sentrachem will continue to have acces to its share of Coalplex's chlorine and caustic soda byproducts while AECI is expected to rationalise operations of the PVC plant with those of its other production units.

In the year to June 1983 Sentrachem's turnover was R700m while in 1982, the last financial year for which figures are available. AECI's turnover was R1.55bn.

# Sharp cut in loss at National Steel group

BY TERRY DODSWORTH IN NEW YORK

NATIONAL INTERGROUP, parent of National Steel, the fourth largest U.S. steelmaking company, reduced its losses sharply last year to $154.3m or $8.33 a share, compared with $462.8m or $24.77, in 1982.

The figures were once again sprinkled with special items as a result of the extensive reorganisation the company is going through. A charge of $100m was made last year against additional losses at Weirton Steel, which was disposed of to a workers' co-operative.

There was also a $55.6m write-off for the liquidation of the group's interests in National Pipe and Itmann Coal. National also made an extraordinary gain of $22.1m on a debt for equity swap.

In 1982, the losses included a net charge of $209.4m for the sale of the Weirton division, and $109.7m for the write-off or sale of other idle facilities.

Operating profits last year were $27.1m, against loss of $225.2m in 1982. These figures include the effect of liquidation of stocks, valued on the last in—first out (Lifo) method, amounting to $34.3m last year and $106m in 1982.

The figures indicate that there was a steady continuation of the recovery into the fourth quarter, when National earned $17.6m, before the special charges of $55.6m, compared with a $53m loss in the same quarter of 1982, before special charges of $229m.

Sales for the year were little changed, $3bn in 1982, with a contribution of $784.3m (643.7m) in the final quarter.

A similar trend was shown at LTV, the third largest U.S. steel producer, which has agreed to acquire Republic Steel. Losses in the fourth quarter of 1983 fell from $93.1m to $7.5m or four cents a share.

Losses for the year, however, were still higher at $180.7m against $154.9m. Sales slipped from $4.8bn to $4.6bn, with $1.5bn ($907.4m) in the latest quarter.

# Computer development dropped

BY OUR NEW YORK STAFF

STORAGE TECHNOLOGY, a major U.S. manufacturer of computer subsystems and peripheral equipment, is abandoning development work on a new mainframe computer and expects to make "a substantial write-off" in the 1983 fourth quarter. About 400 employees at its California subsidiary will be dismissed.

The decision is the latest blow for the "plug compatible" U.S. computer industry—whose products are compatible with those of International Business Machines — and further evidence of IBM's strengthening grip on the marketplace. Storage Technology, a Colorado-based company with sales in 1982 of $1.08bn, had started development of a high powered IBM-compatible computer in 1981.

It blamed its decision to abandon work on the new computer on delays in completing the development work and on the need for "substantial additional funds" to complete it.

# Troubled brewery wins time

By William Chislett in Mexico City

CERVECERIA Moctez (Cermoc), the financ troubled Mexican brewery, one of its internati creditors, Northwest National Bank (Norwest) Minneapolis, yesterday ag to postpone for two week court hearing sought by bank to have the comp declared bankrupt.

The brewery, with external debt of $300m, said that it would, itself, a suspension of debt paym as a counter-move, had the t gone ahead with its bankru proceedings on January 31 judge ruled earlier this mo that there was a case to ans

The issue is being closely lowed by foreign banks wh are alarmed by Norwest's br ing of ranks. Indebted c panies have been driven to wall by the heavy devalua of the peso which has cau external debt servicing cost skyrocket. But so far there h been no casualties. Cerm however, is in a delicate p tion.

# Total expects upturn

Compagnie Francaise des Petroles, parent of the Fre Total group, is expected to sh a sharp improvement in fin cial performance for 1983, af the FFr 1bn ($120m) loss year before.

A recovery in refining a distribution business in the U may have helped the comp to break-even in 1983. The has been an upturn in do stream operations in West G many and the UK.

However, Total's refining a distribution businesses France and Italy continues drag down the groups financ performance.

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# Leading shares rally from lower opening levels and after-hours move near to previous all-time peaks

**Account Dealing Dates**

| Option | | | |
|---|---|---|---|
| *First Dealings | Declarations | Last Dealings | Account Day |
| Jan 16 | Jan 26 | Jan 27 | Feb 6 |
| Jan 30 | Feb 9 | Feb 10 | Feb 20 |
| Feb 13 | Feb 23 | Feb 24 | Mar 5 |

* "New-time" dealings may take place from 9.30 am two business days earlier.

A progressive recovery from lower opening levels followed by a broad advance gave a clear demonstration yesterday of the London equity markets underlying strength. The FT Industrial Ordinary share index staged a turnround of some 11 points, gradually regaining most of an early 6.4 fall by late afternoon and rising after-hours to close 4.4 higher on the day at 839.5. This is only a point short of Wednesday's all-time record, and represents a gain of nearly 64 points this year. The FT-Actuaries All-Share index rose 0.2 per cent yesterday to a best-ever 504.73.

Wall Street's continuing spell of indecision gave equity dealers cause to mark the leading shares down, but UK investors would not be drawn into profit-taking. Although institutional operators appeared to be awaiting better buying opportunities, smaller investors showed renewed enthusiasm.

The demand gradually restored blue chip industrials to around overnight levels and, after the official close, the upward momentum increased noticeably. Business was then permitted without "new-time" penalty for the trading Account starting on Monday. Led by the Oil sector, which encountered revived U.S. buying of BP and LASMO, leading stocks went higher to settle at the season's best.

A string of features, not always favourable to holders, appeared in secondary and situation stocks. Some recent high-fliers came to ground rather suddenly as speculators became nervous and decided to reduce their commitments, but others took on a new lease of life. Several new bid candidates emerged and more than one stock benefited from imminent market "raid" rumours.

Revived fears of dearer U.S. money—Dr Henry Kaufmann reiterated yesterday his prediction of higher interest rates—caused few tremors in the Gilt-edged market. Business remained in low-key because of equity market counter-attractions, but most short and medium-life stocks managed small improvements on the session.

## Banks dip and rally

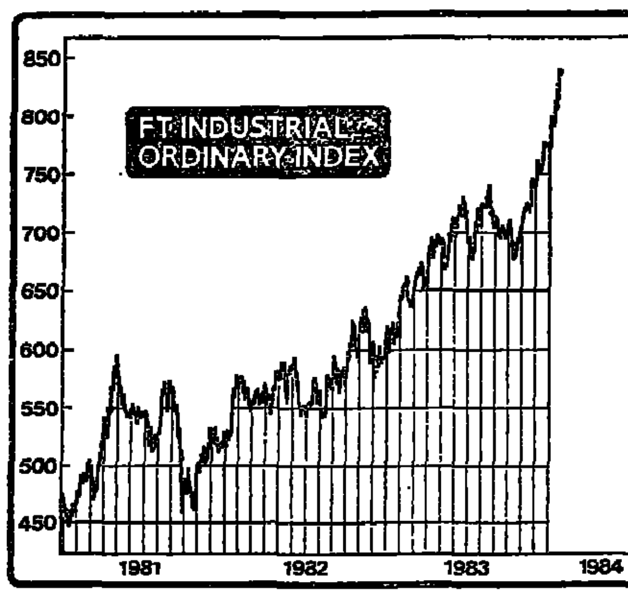
Easier for most of the session, the major clearing banks staged a late rally to close with modest improvements. Barclays, which opens the dividend season on March 5, recovered from 550p to finish a couple of pence harder on balance at 557p. NatWest finished the same amount dearer at 760p, after 753p. Gerrard and National Discount, which announced early in the week that it had received a bid approach, hardened 2 further for a gain of 47 on the week at 337p deflecting hopes of an early announcement. Elsewhere, Hill Samuel gained 4 to 330p among merchant banks on bid speculation but recent favourite, Minster Assets, cheapened 3 to 124p on end-Account influences. In Hire Purchases, buying ahead of the preliminary results, scheduled for February 10, left Wagon Finance 2½ up at 46½p.

Renewed profit-taking left Phoenix 7 down at 425p, after 423p. Among other dull Composites, General Accident lost 6 to 462p and Commercial Union 3 to 190p.

Breweries displayed no set trend following a moderate business. Allied rose 3 to 157p but Bass, at 328p, lost 5 of Thursday's 8 gain which followed the chairman's confident annual statement. Elsewhere, Arthur Bell advanced 5 to 163p and the 9½ per cent Convertible 99-01 added 10 points at £192 celebrating the successful acquisition of Gleneagles, the privately-owned Scottish hotels group.

Easier initially after comment on the latest defence document aimed at fending off Hanson Trust's 145p per share bid, London Brick picked up on speculation that Hanson would return with a further revised offer and at the close was 3 dearer on balance at 163p. Among other Buildings, Blue Circle remained unsettled by broker's Grieveson Grant's cautious view of short-term prospects and the shares shed 5 more to 430p. Rugby Portland Cement eased 3 to 105p in sympathy. Favourable Press comment stimulated interest in Bett Brothers which put on 5 to 82p, while ahead of next Monday's half-timer lifted Vibroplant 10 to 160p. The failure of bid discussions with the original interested party prompted a bout of profit-taking in Leyland Paint which shed 3½ to 181p. After Thursday's fall of 23 to 43p following the discovery of a misappropriation of funds in the order of £150,000, dealings in Helical Bar were suspended at that level yesterday at the company's request. Dealings in Highgate Optical were also halted yesterday, at 50p; both Helical and Highgate are controlled by Evom and it is understood that auditors have been called in to investigate inter-company debts.

After Thursday's reasonable trade in the shares, business in ICI contracted sharply, however, the undertone remained firm and the price fluctuated narrowly before closing without alteration at 630p. Croda International attracted late support on takeover hopes and hardened a couple of pence to 105p.




Still reflecting the absence of the rumoured deal concerning the sale of Lonrho's near-30 per cent stake, House of Fraser passed a fairly quiet trading session and closed unaltered at the overnight level of 278p, but still 28 higher on the week; Lonrho, however, attracted fresh interest and closed 4 up at a new peak for the year of 124p. Elsewhere in Stores, British Home Stores stood out with a rise of 8 at 232p, while Mellins moved up 6 to 60p following revived speculative buying and call option activity. Waring and Gillow continued firmly at 112p, up 2, but Helamat came on offer at 73p, down 4; the latter's interim results are due February 6.

A buoyant market since Mr Asil Nadir recently announced the acquisition of a near-25 per cent shareholding, Strong and Fisher drew fresh encouragement from Press comment; after easing initially to 208p, the shares rebounded to close 10 up on the day at 225p. Elsewhere in Shoes, FII advanced 6 more to 214p; the company's interim figures will be announced at the end of February and not on Thursday as inadvertently stated here yesterday.

Leading Electricals fluctuated narrowly before settling a few pence dearer. BICC, helped by news of a Malaysian deal, improved 5 to 278p. Wholesale Fittings drew strength from good interim figures and advanced 35 to 300p, after 310p, while Dubilier improved 6 to 152p mirroring chairman's encouraging remarks at the annual meeting. Suter closed 7 higher at 109p; it was announced yesterday that Christopher Moran has an 8.1 per cent stake in the company. Amstrad gained 6 to 110p in response to favourable Press mention, while cable TV hopes directed attention to Greenwich Cable, 13 up at 68p.

An active week in the Engineering leaders ended on a relatively quiet note but GKN, up 7 further at 212p, made fresh progress on publicity given to a recent chart "buy" recommendation. Elsewhere, Hallite featured with a fall of 50 to 200p following sharply lower half-year profits and a reduced interim dividend. On the other hand, further consideration of the interim statement prompted a gain of 7 to 290p in Bullough.

Demand for Foods remained selective. Tesco advanced 9 to 183p in anticipation of a bullish circular from brokers Scrimageour Kemp-Gee, while Rowntree Mackintosh improved 18 to 260 for a rise on the week of 38 amid persistent takeover rumours. Maynards, on the other hand, fell 20 to 245p on Mr Lewis E. Cartiers' decision not to increase his 250p per share partial offer. Bensons Crisps, dealt in the Unlisted Securities Market, closed 15 higher at 108p in response to the acquisition of XL Crisps for £0.27m from Associated British Foods.

*News of the proposal to sell* Liggett and Myers tobacco subsidiary to the incumbent management clipped a couple of pence from recently-buoyant Grand Metropolitan, at 353p.

## UKO Int. strong

UKO International featured with a jump of 20 to 142p on persistent speculative demand which aroused bid talk. Takeover rumours also surrounded W. Canning, up 18 at 104p. Gestetner A, a good market since the recovery in annual profits, encountered fresh support and put on 7 to 87p, but Ashley Industrial Trust, contrasted with a fall of 9 to 19p, after 17p, following omission of the final dividend and annual loss. Applied Computer, still reflecting analysts' visit, advanced afresh to 605p before closing 30 higher at 585p for a two-day gain of 78. Rumours that the company had won a contract directed buying attention to London and Northern, up 10 at 77p. Manchester Ship improved a like amount to 180p ahead of the results, due shortly. Renewed demand left Evode up 6 further at 127p, but Abbey remained a poor market at 32p, down 3, still on the dividend omission and warning of a current year write-off due to a fall in the value of certain assets. Diamond Stylus firmed 2 to 33p following better half-year profits, while Cowan de Groot improved 3 to 33p ahead of next Tuesday's interim statement. Most leading miscellaneous industrials rallied from a dull start and closed little altered on balance. Pilkington Bros, however, were firm throughout and closed 15 higher at 275p. Reed International, awaiting next Tuesday's third-quarter figures gained 8 more to 452p.

Speculative buying fuelled by rumours that a block of shares had changed hands and developments were imminent lifted GRA 5½ to 51½p. Elsewhere in the Leisure sector, Associated Leisure eased 3 to 147p as Pleasurama unveiled the terms of its agreed cash and shares' offer, worth just over 152p per Associated share.

Among Motor Components, Lucas returned to favour and closed 5 better at 200p, while Flight Refuelling gained 10 to 237p in a thin market. Elsewhere, Henlys softened 2 to 88p on further consideration of the £3.9m annual loss.

Fleet Holdings stood out again in Publishers, rising 5 more to 187p on suggestions that Mr Robert Holmes a Court, who owns just over 8 per cent of the company's equity via the Jersey-based Associated Communications, was attempting to add to his holding. Elsewhere, Carlton Communications put on 10 to 440p following the chairman's encouraging remarks about current year trading. Still drawing strength from the annual results, KLP firmed 5 more to 175p.

Significant movements in Properties were few and confined to secondary issues. Rosehaugh, still reflecting the recent U.S. property deal, attracted further buying in a limited market and gained 22 to 345p. Marler Estates firmed 6 to 100p following the annual meeting.

Courtaulds, up 4 at 144p, shrugged aside news that the Murjani Group of the U.S. had ended a two-year distribution agreement with the company and was seeking up to £10m in damages. Elsewhere in Textiles, Tootal rose 3 to 48p on speculative buying and talk of a dawn raid, while F. Miller ended similarly higher at 48p following news of further resistance against the controversial bid from Nottingham Manufacturing. Rumoured "shell" situation Harold Ingram attracted renewed speculative support and jumped 50 more for an advance of 98 on the week to 408p.

Tobaccos closed firmer for choice. Imperial Group, results due on February 9, hardened a penny to 157p, while Rothmans International added 4 at 124p.

Hampton Trust advanced 4 more making a two-day jump of 7 at 33p, demand stimulated by Thursday's news of the acquisition of a £4.5m portfolio of 8 properties which will increase the family interests of Messrs. Lewis and Davis to 25.8 per cent. Elsewhere in Financial Trusts, stockjobbers Akroyd and Smithers gained 10 to 470p.

## Oils buoyant

Oils ended an extremely busy week buoyantly in the wake of Shell's offer late on Tuesday to acquire the outstanding 30 per cent of Shell Oil, its U.S. affiliate. Quotations went from strength to strength on domestic speculative buying aroused by hopes of further takeover developments within the sector. In the late dealings, revived American buying lifted British Petroleum which closed 10 up and 27 higher on the week, at 452p. Shell, although eventually unchanged at 660p, recorded a five-day gain of 50p. Speculative bid rumours and, to a lesser extent, Tiffany Field exploration hopes, lifted LASMO 20 to 350p. IC Gas, another Tiffany Field participant, rose 15 to 301p. Tricentrol firmed 6 more to 218p and Ultramar advanced 10 to 698p. Clyde Petroleum came with a late run and closed 6 dearer at 126p, while Anvil put on 5 to 83p. Among Irish exploration issues, Atlantic Resources remained volatile and reacted to 640p on end-Account profit-taking before rallying strongly to end a couple of pence dearer on the day at 660p.

## Aussies feature

Mining markets were highlighted by another buoyant performance by participants in the Turtle No. 1 well off Western Australia. Anticipating encouraging news from a drilling report expected shortly, operators Western Mining advanced 11 to 276p, while Canada Northwest, which has around 25 per cent of the prospect, rose 7 to record a five-day gain of 36 to 55p, having touched 60p earlier yesterday. Other partners to benefit included York Resources, 6 up at 36p, and Home Energy, 20 to the good at 107p. Cultus Pacific, additionally aided by London option business, advanced 4½ to 26p, after 27p.

Claremont Petroleum firmed 4 more to 128p amid persistent takeover speculation.

Interest in base-metal stocks remained sparse, possibly reflecting the closure of domestic markets next Monday to celebrate Australia Day. A notable exception was provided by Seltrust, which hardened 3 for a two-day gain of 12 to 70p *following news of encouraging drill* results at its Temora gold prospect in New South Wales.

Australia Golds went slightly better with North Kalgurli a couple of pence up at 66½p following the interim results.

South African Golds passed another unexciting session reflecting the continued absence of U.S. support. The firmer trend of bullion which closed $2 dearer at $369.375 per ounce, prompted modest rises at the outset, but light selling eminating from the Cape and lack of UK support left the sharemarket in uncertain mood.

The Gold Mines index closed 0.9 better at 531.5.

London-based Financials witnessed late speculative support of RTZ, which advanced 16 to 673p. A useful business also developed in Consolidated Gold Fields, 7 up at 519p.

Operators continued to display enthusiasm for Traded Options and total contracts struck yesterday amounted to 4,570, comprising 3,407 calls and 1,163 puts. The week's daily average, boosted by the expiry of the January series last Wednesday, amounted to 4,847—the highest since the all-time peak of 6,494 recorded mid-May of last year. Lonrho remained to the fore, attracting 727 calls and 176 puts on further speculation about its stake in House of Fraser. LASMO recorded 667 calls reflecting revived takeover hopes coupled with optimism over the Tiffany structure. A lively two-way business developed among Courtaulds positions with 287 calls and 215 puts struck.

## FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| | EQUITY GROUPS & SUB-SECTIONS | Fri Jan 27 1984 Index No. | Day's Change % |
|---|---|---|---|
| 1 | CAPITAL GOODS (205) | 496.36 | +0.4 |
| 2 | Building Materials (25) | 477.26 | |
| 3 | Contracting, Construction (32) | 721.14 | -0.4 |
| 4 | Electricals (15) | 1779.49 | +1.0 |
| 5 | Electronics (24) | 1713.89 | +0.8 |
| 6 | Mechanical Engineering (64) | 236.35 | |
| 8 | Metals and Metal Forming (9) | 209.62 | +0.8 |
| 9 | Motors (17) | 135.59 | |
| 10 | Other Industrial Materials (19) | 592.54 | |
| 21 | CONSUMER GROUP (194) | 492.77 | -0.1 |
| 22 | Brewers and Distillers (23) | 480.81 | -0.2 |
| 25 | Food Manufacturing (22) | 399.05 | -0.1 |
| 26 | Food Retailing (12) | 1118.21 | -0.2 |
| 27 | Health and Household Products (9) | 758.07 | -0.4 |
| 29 | Leisure (23) | 653.04 | -0.1 |
| 32 | Newspapers, Publishing (15) | 1227.16 | +0.6 |
| 33 | Packaging and Paper (15) | 245.33 | +0.5 |
| 34 | Stores (47) | 438.35 | -0.2 |
| 35 | Textiles (19) | 277.64 | +0.4 |
| 36 | Tobaccos (3) | 570.57 | |
| 39 | Other Consumer (8) | 477.63 | |
| 41 | OTHER GROUPS (83) | 441.31 | -0.2 |
| 42 | Chemicals (16) | 634.85 | -0.6 |
| 44 | Office Equipment (5) | 131.32 | +1.6 |
| 45 | Shipping and Transport (14) | 862.07 | +0.2 |
| 46 | Miscellaneous (48) | 566.81 | -0.1 |
| 49 | INDUSTRIAL GROUP (484) | 491.38 | |
| 51 | Oils (16) | 1078.77 | +1.3 |
| 59 | 500 SHARE INDEX | 548.65 | +0.3 |
| 61 | FINANCIAL GROUP (122) | 392.45 | -0.2 |
| 62 | Banks (6) | 422.21 | +0.3 |
| 63 | Discount Houses (8) | 434.72 | +0.1 |
| 65 | Insurance (Life) (9) | 541.56 | -0.1 |
| 66 | Insurance (Composite) (9) | 259.72 | -0.9 |
| 67 | Insurance Brokers (6) | 657.99 | -0.8 |
| 68 | Merchant Banks (12) | 251.10 | +0.1 |
| 69 | Property (54) | 546.02 | +0.3 |
| 70 | Other Financial (18) | 277.63 | +0.2 |
| 71 | Investment Trusts (107) | 513.49 | -0.5 |
| 81 | Mining Finance (4) | 309.36 | +1.9 |
| 91 | Overseas Traders (15) | 549.51 | +0.7 |
| 99 | ALL-SHARE INDEX (749) | 504.73 | +0.2 |

### FIXED INTEREST

| | PRICE INDICES | Fri Jan 27 | Day's change % | Thurs Jan 26 | xd adj. today | xd adj. 1984 to date |
|---|---|---|---|---|---|---|
| | British Government | | | | | |
| 1 | 5 years | 117.95 | +0.10 | 117.83 | — | 1.17 |
| 2 | 5-15 years | 130.59 | +0.03 | 130.55 | — | 1.49 |
| 3 | Over 15 years | 141.24 | -0.04 | 141.30 | — | 2.06 |
| 4 | Irredeemables | 151.86 | -0.01 | 151.87 | — | — |
| 5 | All Stocks | 129.68 | +0.03 | 129.63 | — | 1.07 |
| 6 | Debentures and Loans | 108.64 | +0.01 | 108.63 | — | 0.06 |
| 7 | Preference | 81.63 | +0.56 | 81.17 | — | 0.14 |

| Equity section or group | Base date | Base value | Equity section or group | Base date | Base value |
|---|---|---|---|---|---|
| Other Industrial Materials | 31/12/80 | 287.41 | Other Financial | 31/12/70 | 128.06 |
| Other Consumer | 31/12/80 | 238.14 | Food Manufacturing | 29/12/67 | 114.13 |
| Health/Household Prods. | 30/12/77 | 261.77 | Food Retailing | 29/12/67 | 114.13 |
| Other Groups | 31/12/74 | 63.75 | Insurance Brokers | 29/12/67 | 96.67 |
| Overseas Traders | 31/12/74 | 100.00 | Mining Finance | 29/12/67 | 100.00 |
| Electronics | 30/12/83 | 1646.65 | All Other | 10/4/62 | 100.00 |
| Mechanical Engineering | 31/12/71 | 153.84 | British Government | 31/12/75 | 100.00 |
| Office Equipment | 16/1/70 | 162.74 | Debs. & Loans | 31/12/77 | 100.00 |
| Industrial Group | 31/12/70 | 128.20 | Preference | 31/12/77 | 76.72 |

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

## RISES AND FALLS

| | Yesterday Rises | Falls | Same | On the week Rises | Falls | Same |
|---|---|---|---|---|---|---|
| British Funds | 27 | 12 | 63 | 125 | 116 | 287 |
| Corpns. Dom. and Foreign Bonds | 17 | 5 | 55 | 41 | 52 | 295 |
| Industrials | 282 | 364 | 779 | 1,360 | 1,566 | 4,118 |
| Financial and Props. | 81 | 135 | 304 | 614 | 560 | 1,430 |
| Oils | 35 | 21 | 64 | 170 | 127 | 303 |
| Plantations | 3 | 2 | 14 | 10 | 29 | 95 |
| Mines | 69 | 59 | 64 | 228 | 226 | 334 |
| Others | 56 | 39 | 60 | 227 | 304 | 343 |
| Totals | 539 | 617 | 1,484 | 2,789 | 2,995 | 7,175 |

## ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

| Stock | Closing price | Day's change | Stock | Closing price | Day's change |
|---|---|---|---|---|---|
| Ashley Ind'l. Trust | 19 | -9 | LASMO | 350 | +20 |
| Atlantic Resources | 660 | +2 | London Brick | 163 | +3 |
| BP | 452 | +10 | Shell Transport | 660 | — |
| Reed Hldgs. | 187 | +5 | Strong & Fisher | 225 | +10 |
| GRA Group | 51½ | +5½ | Tootal | 48 | +3 |
| Ingram (Harold) | 408 | +50 | UKO Int'l. | 142 | +20 |

## THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

| Stock | No. of changes | Thurs. close | Day's change | Stock | No. of changes | Thurs. close | Day's change |
|---|---|---|---|---|---|---|---|
| Applied Comp. | 25 | 555 | +43 | Bassett Foods | 18 | 160 | -1 |
| Pict Petroleum | 25 | 170 | +15 | London Brick | 18 | 160 | +1 |
| Strong & Fisher | 24 | 215 | -3 | Metal Box | 18 | 346 | +12 |
| Nat West Bank | 23 | 758 | -7 | Ultramar | 18 | 688 | +15 |
| Shell Transport | 22 | 660 | +10 | British Aero. | 18 | 245 | -11 |
| Tricentrol | 20 | 212 | +7 | GEC | 16 | 189 | -3 |
| ICI | 19 | 630 | +3 | | 16 | | |

## 5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

| Stock | No. of changes | Thurs. close | Change on week | Stock | No. of changes | Thurs. close | Change on week |
|---|---|---|---|---|---|---|---|
| Strong & Fisher | 136 | 215 | +17 | Hawk. Siddeley | 82 | 406 | +12 |
| Brewster | 105 | 280 | -5 | Bank Org. | 82 | 224 | +19 |
| Nat West Bank | 105 | 758 | +50 | Barclays Bank | 81 | 555 | +7 |
| Shell Transport | 104 | 660 | +50 | ICI | 80 | 630 | -6 |
| Fleet Hldgs. | 91 | 187 | +22 | Beecham | 79 | 318 | -5 |
| BP | 88 | 442 | +34 | Burmah Oil | 79 | 198 | +19 |
| LASMO | 83 | 330 | +26 | GEC | 78 | 189 | -9 |

## FINANCIAL TIMES STOCK INDICES

| | Jan. 27 | Jan. 26 | Jan. 25 | Jan. 24 | Jan. 23 | Jan. 20 | Year ago |
|---|---|---|---|---|---|---|---|
| Government Secs | 83.75 | 83.83 | 83.87 | 83.91 | 83.74 | 83.85 | 77.67 |
| Fixed Interest | 87.43 | 87.37 | 87.34 | 87.30 | 87.14 | 87.24 | 79.71 |
| Industrial Ord. | 839.5 | 835.1 | 840.5 | 834.8 | 831.4 | 826.9 | 630.0 |
| Gold Mines | 531.5 | 530.6 | 528.1 | 534.6 | 541.5 | 548.1 | 549.2 |
| Ord. Div. Yield | 4.31 | 4.33 | 4.33 | 4.34 | 4.34 | 4.36 | 5.05 |
| Earnings, Yld.% (full) | 9.10 | 9.08 | 9.01 | 9.16 | 9.26 | 9.15 | 10.44 |
| P/E Ratio (net) (*) | 13.43 | 13.49 | 13.58 | 13.35 | 13.23 | 13.41 | 11.50 |
| Total bargains | 28,732 | 26,801 | 27,013 | 26,782 | 28,350 | 30,466 | 29,058 |
| Equity turnover £m. | — | 425.15 | 381.64 | 328.86 | 287.17 | 388.01 | 311.58 |
| Equity bargains | — | 23,189 | 23,076 | 23,609 | 26,068 | 26,331 | 24,888 |
| Shares traded (ml) | — | 248.8 | 187.2 | 169.5 | 165.6 | 219.1 | 190.1 |

10 am 829.7, 11 am 829.9, Noon 830.7, 1 pm 832.0, 2 pm 832.8, 3 pm 832.6.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=12.66.

### HIGHS AND LOWS / S.E. ACTIVITY

| | 1983/84 High | 1983/84 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|
| Govt. Secs. | 83.77 (3/1/84) | 77.00 (24/1/83) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 87.43 (27/1/84) | 79.05 (7/2/83) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 840.5 (25/1/84) | 598.4 (12/1/83) | 840.5 (25/1/84) | 49.4 (26/6/40) |
| Gold Mines | 734.7 (15/2/83) | 444.6 (11/11/83) | 734.7 (15/2/83) | 43.5 (26/10/71) |

| | Jan. 26 | Jan. 25 |
|---|---|---|
| Daily Gilt Edged Bargains | 184.8 | 153.8 |
| Equities Bargains | 182.6 | 149.5 |
| Value | 858.0 | 710.7 |
| 5-day Average Gilt Edged Bargains | 170.2 | 183.5 |
| Equities Bargains | 163.6 | 161.1 |
| Value | 699.3 | 673.8 |

## LEADERS AND LAGGARDS

Percentage changes since December 30, 1983 based on Thursday, January 26, 1984

| | | | |
|---|---|---|---|
| Office Equipment | +16.29 | Consumer Group | +6.74 |
| Discount Houses | +15.94 | Building Materials | +6.73 |
| Oils | +12.64 | Shipping and Transport | +6.47 |
| Banks | +12.49 | Financial Group | +6.47 |
| Newspapers, Publishing | +12.11 | Leisure | +6.34 |
| Packaging and Paper | +11.43 | Contracting, Construction | +6.24 |
| Metals and Metal Forming | +11.27 | Industrial Group | +6.15 |
| Mechanical Engineering | +11.09 | Capital Goods | +5.96 |
| Textiles | +10.60 | Food Manufacturing | +5.90 |
| Tobaccos | +10.03 | Insurance (Composite) | +5.60 |
| Brewers and Distillers | +9.52 | Other Industrial Materials | +4.70 |
| Overseas Traders | +8.35 | Other Groups | +4.66 |
| Mining Finance | +8.00 | Other Consumer | +4.56 |
| Motors | +7.29 | Electronics | +3.19 |
| Insurance (Life) | +7.20 | Property | +3.14 |
| 500 Share Index | +7.10 | Food Retailing | +2.87 |
| All-Share Index | +7.04 | Insurance Brokers | +2.71 |
| Health and Household Products | +6.90 | Merchant Banks | +2.61 |
| Electricals | +6.95 | Stores | +2.33 |
| Investment Trusts | +6.88 | Property | +1.96 |
| | | Chemicals | +1.17 |
| | | Gold Mines Index | -7.63 |

## OPTIONS

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| Jan 23 | Feb 3 | Apr 26 | May 8 |
| Feb 6 | Feb 17 | May 10 | May 21 |
| Feb 20 | Mar 2 | May 31 | June 11 |

*For rate indications see end of Share Information Service*

Call options were arranged in GRA, European Ferries, Saxon Oil, Armstrong Equipment, Chubb, Grattan, Dunlop, UKO, Milford Docks, Gestetner "A," Cultus Pacific, RHP, Yelverton, Mellins and John Brown, puts were done in Mellins, Strong and Fisher, Fleet Holdings and Cultus Pacific, while doubles were taken out in First National Finance and Premier Oil.

## NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (131)
BRITISH FUNDS (2) INT. BANK & O'SEAS GOVT. STLG. ISSUES (1) CORPORATION LOANS (2) AMERICANS (1) BANKS (3) BREWERS (2) BUILDINGS (8) CHEMICALS (2) STORES (13) ELECTRICALS (8) FOODS (6) ENGINEERING (12) INDUSTRIALS (26) INSURANCE (3) LEISURE (4) MOTORS (1) NEWSPAPERS (4) PAPER (3) PROPERTY (9) SHOES (1) TEXTILES (7) TRUSTS (19) OILS (2) OVERSEAS TRADERS (1) PLANTATIONS (1) MINES (4)

NEW LOWS (12)
AMERICANS (1) SCA Services Inc.
BANKS (1) Bank Leumi Le-Israel
BUILDINGS (1) Crouch Group
ELECTRICALS (2) Brevitte Europe, Matthews Elect.
ENGINEERING (2) Hallite
INDUSTRIALS (1) Coin Inds.
LEISURE (1) Adam Leisure
PAPER (1) Geers Gross
MINES (1) MIM Hldgs.

## RECENT ISSUES

### EQUITIES

Assoc.Energy Ser.5p; Brit. Petroleum; Circaprint Hldgs10p; Dataserv Inc; Erskine; Gibbs Mew; Grosvenor Sq.Pp.10p; Hanson 10p; High-Point Serv.10p; Ldn.& Edin'gh Tst.10p; Moray F.Malt'gs 5p; Palma Group; Stockley Devel'mts 10p; Symbolic 10p; Tyne Tees TV A NV; VG Instruments 10p; Walpac 10p.

### FIXED INTEREST STOCKS

Allied Textile 10% Cnv. Uns. Ln. 1993; Arlen Elect. 11½% Cnv. Uns. Ln. 1990; Atlantic Inv.Tst. Cnv. Red. Cum. Prf.; BAT Inds. 10½% Uns. Ln. 2003/08; Palma Group Cum. Pf.; Queens Moat 12½% 1st Mort. Deb. 2013; Spain 12½% Ln. 1989.

## "RIGHTS" OFFERS

Carlton Communications 5p; Charterhouse Pet.; East Dagga Linked Units; Ellis & Everard; Hemaa Smith 10p; Jones (Edward) 10p; McCarthy & Stone 20p; Meggitt 5p.

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. T Figures assumed. ‡ Figures or report awaited. § Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ● Provisional or partly-paid allotment letters. ★ With warrants. ‖‖ Introduction. ◇ Unlisted Securities Market.

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# INSURANCE & OVERSEAS MANAGED FUNDS

**Lloyds Life Assurance—cont.**
**Gartmore Funds—Series A**

| | | | | |
|---|---|---|---|---|
| American Jan 24 | 175.7 | 185.0 | ..... | — |
| British Jan 24 | 138.8 | 146.2 | ..... | — |
| Commodity Jan 24 | 133.6 | 140.7 | ..... | — |
| Extra Inc Jan 24 | 125.7 | 132.4 | ..... | — |
| Far Eastern Jan 24 | 131.2 | 138.2 | ..... | — |
| High Inc Jan 24 | 131.9 | 138.9 | ..... | — |
| Income Jan 24 | 162.2 | 170.8 | ..... | — |
| Global Street Jan 24 | 194.4 | 204.7 | ..... | — |
| Special Sits Jan 24 | 147.4 | 155.2 | ..... | — |
| Gilt Jan 24 | 105.1 | 110.7 | ..... | — |
| Japan Jan 24 | 184.1 | 193.8 | ..... | — |
| U. Small Co's Jan 24 | 138.6 | 145.9 | ..... | — |
| Man Gwt Jan 24 | 162.9 | 171.5 | ..... | — |
| Autrin Jan 24 | 118.3 | 124.6 | ..... | — |
| Oil and Energy Jan 24 | 123.1 | 129.6 | ..... | — |
| Gold Share Jan 24 | 73.2 | 77.1 | ..... | — |

**London A'deen & Nthn. Mtl. Assur. Ltd.**
129 Kingsway, London, WC2B 6NF. 01-404 0393
'Asset Builder' 68.2 72.2 ..... —

**London Indemnity & Gnl. Ins. Co. Ltd**
18-20, The Forbury, Reading 583511

| | | | | |
|---|---|---|---|---|
| Money Mngr Jan 13 | 63.9 | 69.0 | ..... | — |
| MM Flexible Jan 6 | 53.6 | 56.5 | ..... | — |
| Fixed Interest Jan 3 | 56.5 | 59.6 | ..... | — |

**London Life Linked Assur. Ltd.**
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

**London & Manchester Gp.**
Winslade Park, Exeter EX5 1DS. 0392 52155

| | | | | |
|---|---|---|---|---|
| Invest. Tst. Fd. Cap. | 328.8 | — | −0.3 | — |
| Invest. Tst. Fd. Acc. | 352.0 | — | −0.3 | *15.8 |
| Property Fund Cap. | 118.0 | — | −0.1 | — |
| Property Fund Acc. | 125.9 | — | — | *5.0 |
| Flexible Fund Cap. | 191.8 | — | +0.7 | — |
| Flexible Fund Acc. | 204.5 | — | +0.7 | *5.6 |
| Fixed Int. Fd. Cap. | 140.2 | — | +0.2 | — |
| Fixed Int. Fd. Acc. | 149.7 | — | +0.3 | — |
| Gtd. Deposit Fd. Cap. | 134.7 | — | — | — |
| Gtd. Deposit Fd. Acc. | 148.0 | — | — | — |
| Equity Fund Cap. | 139.5 | — | −0.1 | — |
| Equity Fund Acc. | 148.4 | — | −0.1 | — |
| International Fd. Cap. | 135.6 | — | −0.8 | — |
| International Fd. Acc. | 144.2 | — | −0.8 | — |
| Capital Gwth. Fd. | 446.9 | — | −0.6 | — |
| Moneymaker Fund | 179.5 | — | +0.4 | — |
| Exempt Inv Tst Cap. | 465.6 | — | +2.6 | — |
| Exempt Inv Tst Acc. | 491.4 | — | +2.9 | — |

**Property Growth Assur. Co. Ltd.**
Leon House, Croydon CR9 1LU. 01-680 0606

| | | | |
|---|---|---|---|
| Property Fund | 290.2 | ..... | — |
| Property Fund (A) | 281.8 | ..... | — |
| Agricultural Fund | 1,133.3 | ..... | — |
| Agric. Fund (A) | 1,102.9 | ..... | — |
| Abbey Nat. Fund | 231.9 | ..... | — |
| Abbey Nat. Fd. (A) | 230.5 | ..... | — |
| Investment Fund | 143.9 | ..... | — |
| Investment Fund (A) | 142.1 | ..... | — |
| Equity Fund | 447.5 | −0.4 | — |
| Equity Fund (A) | 439.5 | −0.4 | — |
| Money Fund | 220.3 | +0.3 | — |
| Money Fund (A) | 216.2 | +0.3 | — |
| Actuarial Fund | 221.7 | ..... | — |
| Gilt-edged Fund | 194.3 | ..... | — |
| Gilt-Edged Fd. (A) | 194.3 | ..... | — |
| Retire Annuity | 360.2 | ..... | — |
| Immed. Ann'ty | 191.5 | ..... | — |
| International Fd. | 277.9 | −0.3 | — |
| Bldg. Soc. Life Fd. | 106.6 | ..... | — |

**Property Growth Pensions & Annuities Ltd.**

| | | | | |
|---|---|---|---|---|
| All Weather Ac. Uts. | 258.1 | 271.7 | ..... | — |
| Inv. Fd. Uts. | | 278.4 | ..... | — |
| Pension Fd. Uts. | | 254.3 | ..... | — |
| Conv. Pens. Fd. | | 300.4 | ..... | — |
| Cnv. Pns. Cap. Ut. | | 223.0 | ..... | — |
| Man. Pens. Fd. | | 356.6 | ..... | — |
| Man. Pens. Cap. Ut. | | 275.7 | ..... | — |
| Prop. Pens. Fd. | | 286.4 | ..... | — |
| Prop. Pens. Cap. Uts. | | 215.3 | ..... | — |
| Bldg. Soc. Pen. Ut. | | 261.3 | ..... | — |
| Bldg. Soc. Cap. Ut. | | 199.3 | ..... | — |
| Gilts Pens. Fd. | | 173.6 | ..... | — |
| Gilts Pens. Fd. Cap. | | 150.4 | ..... | — |
| Equity Pens. Fd. | | 283.4 | ..... | — |
| Equity Pens. Fd. Cap. | | 246.4 | ..... | — |
| Intl. Pens Fd | | 104.1 | −2.5 | — |
| Intl Pens Fd Cap | | 104.1 | −2.5 | — |

**Providence Capitol Life Assc. Co. Ltd.**
30 Uxbridge Road, W12 8PG. 01-749 9111

| | | | | |
|---|---|---|---|---|
| Equity Acc. | 113.0 | 119.2 | ..... | — |
| Fixed Interest Acc. | 93.7 | 98.9 | ..... | — |
| Intnl. Acc. | 86.0 | 90.8 | ..... | — |
| Managed Acc. | 95.7 | 100.9 | ..... | — |
| Property Acc. | 114.8 | 121.1 | ..... | — |
| Money Acc. | 75.3 | 79.5 | ..... | — |
| Special Market Acc. | 75.7 | 79.9 | ..... | — |
| Japan Acc. | 71.4 | 75.4 | ..... | — |
| North America Acc. | 74.5 | 78.6 | ..... | — |
| Pacific Acc. | 55.0 | 58.1 | ..... | — |
| Technology Acc. | 77.8 | [illegible] | ..... | — |

## OFFSHORE AND OVERSEAS

# LONDON SHARE INFORMATION SERVICE

## BRITISH FUNDS

### "Shorts" (Lives up to Five Years)

| 1983-84 High | Low | Stock | Price £ | + or − | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| 104¾ | 100½ | Exchequer 14pc 1984 | 101⅜ | ..... | 13.81 | 9.37 |
| 97¾ | 92½ | Exch. 3pc 1984 | 97⅝ | ..... | 3.07 | 9.05 |
| 102½ | 100½ | Treasury 12pc 1984 | 101½ | ..... | 11.82 | 9.45 |
| 107½ | 104½ | Treasury 15pc 1985 | 105½xd | +⅛ | 14.23 | 9.62 |
| 107 | 101½ | Exch. 12pc Cnv. '85 | 102½ | +⅛ | 11.78 | 9.57 |
| 94½ | 88⅝ | Treasury 3pc 1985 | 94½ | ..... | 3.12 | 7.61 |
| 102½ | 99⅛ | Treasury 11½pc 1985 | 102⅛ | +⅛ | 11.24 | 9.77 |
| 102 | 95 | Treas 8¾pcCnv '85 | 99½ | −⅛ | 3.82 | 9.32 |
| 103¾ | 100½ | Exch. 12¼pc 1985 | 103¼ | +⅛ | 11.86 | 10.15 |
| 102⅞ | 99½ | Exch. 11¾pc '86 | 102½xd | +⅛ | 12.44 | 10.29 |
| 102¼ | 97¼ | Treas 10pc Cnv 1986 | 100¼ | +⅛ | 9.93 | 9.38 |
| 89½ | 85⅝ | Treasury 3pc 1986 | 89½ | −⅛ | 3.36 | 8.16 |
| 101½ | 97½ | Exch. 10½pc Cv '86 | 100½ | ..... | 10.45 | 10.23 |
| 103½ | 100½ | Treasury 12pc '86 | 102½ | +⅛ | 11.66 | 10.53 |
| 98¾ | 94½ | Treasury 8¾pc '84-86‡‡ | 98½ | ..... | 8.65 | 9.34 |
| 109½ | 105½ | Exch. 14pc 1986 | 107½ | +⅛ | 13.02 | 10.73 |
| 86½ | 84½ | Exch 2½pc 1986 | 86½ | ..... | 2.90 | 8.11 |
| 107¼ | 103⅝ | Exch. 13¼pc 1987 | 106½ | ..... | 12.48 | 10.76 |
| 100½ | 95⅞ | Treas 10¼pc Cnv '87 | 99½xd | +⅛ | 10.35 | 10.62 |
| 84⅝ | 80¼ | Exchequer 2½pc 1987 | 84½xd | ..... | 2.96 | 8.29 |
| 100½ | 95⅞ | Exch. 10½pc 1987 | 99⅛ | +⅛ | 10.57 | 10.71 |
| 93¼ | 88¼ | Funding 6½pc '85-87‡‡ | 92½ | ..... | 7.06 | 9.37 |
| 98½ | 96 | Treas 10pc 1987 | 97½ | ..... | 10.22 | 10.73 |
| 86 | 80¼ | Treasury 3pc 1987 | 83½ | ..... | 3.59 | 8.59 |
| 104⅝ | 99⅞ | Treas 12pc 1987 | 103⅞ | +⅛ | 11.61 | 10.85 |
| 159 | 89⅞ | Treasury 7¾pc '85-88‡‡ | 94½ | ..... | 8.21 | 9.45 |
| 101½ | 95½ | Exch 10½pc '88 | 99½ | ..... | 10.59 | 10.72 |
| 98⅝ | 95½ | Treas 9¾pc Conv '88 | 97½ | +⅛ | 10.05 | 10.58 |
| 81⅞ | 75¼ | Transport 3pc '78-88 | 81⅝ | −⅛ | 3.68 | 8.01 |
| 96¼ | 90¼ | Treas. 9½pc '88 | 95⅛ | +⅛ | 9.99 | 10.72 |

### Five to Fifteen Years

| 1983-84 High | Low | Stock | Price £ | + or − | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| 106¼ | 95⅝ | Treasury 11½pc 1989 | 100⅞xd | −⅛ | 11.31 | 11.06 |
| 103 | 94¼ | Treas 10½pc 1989 | 99½ | +⅛ | 10.70 | 10.94 |
| 97¼ | 96⅛ | Exch 10pc 1989 | 96½ | +⅛ | 10.45 | 11.06 |
| 85⅞ | 76 | Treasury 5pc '86-89 | 83⅝ | +⅛ | 6.03 | 9.85 |
| 114 | 103 | Treasury 13pc 1990‡‡ | 107⅞ | +⅛ | 12.10 | 11.24 |
| 110⅝ | 100⅞ | Exch. 12½pc 1990 | 109⅝ | +⅛ | 11.87 | 11.28 |
| 93¼ | 86¼ | Treasury 8¼pc '87-90‡‡ | 90⅞ | +⅛ | 9.18 | 10.45 |
| 20½ | 20 | Treas 10pc Cv '90 (£20pd) | 20⅛ | ..... | 10.41 | 10.83 |
| 106¾ | 97 | Treasury 11¾pc 1991 | 102⅝ | +⅛ | 11.51 | 11.30 |

### Over Fifteen Years

### Undated

### Index-Linked

## INT. BANK AND O'SEAS GOVT. STERLING ISSUES

## CORPORATION LOANS

## COMMONWEALTH AND AFRICAN LOANS

## LOANS

### Building Societies

### Public Board and Ind.

### Financial

## FOREIGN BONDS & RAILS

## AMERICANS

## CANADIANS

## BANKS, H.P. AND LEASING

### Hire Purchase, Leasing, etc.

## BEERS, WINES AND SPIRITS

## BUILDING INDUSTRY, TIMBER AND ROADS

## CHEMICALS, PLASTICS

## DRAPERY AND STORES

## DRAPERY—Continued

## ELECTRICALS

## ENGINEERING

## ENGINEERING—Continued

## FOOD, GROCERIES, ETC.

## HOTELS AND CATERERS

## INDUSTRIALS (Miscel.)

هكذا اصل الاصل

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

LEISURE

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African



## MINES—continued

| 1983-84 High | Low | Stock | Price | + or — | Div. Net | C'vr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| | | **Australians** | | | | | |
| 28½ | 13½ | ♥ACM 20c | 17 | ..... | — | — | — |
| 52 | 30 | ♥Allstate Expl. NL | 30 | ..... | — | — | — |
| 10½ | 3¾ | ♥Asia Oil & Mins. | 4¾ | ..... | — | — | — |
| 40 | 9 | ♥Australis Mng. NL | 21½ | ..... | — | — | — |
| 25 | 11 | ♥Balmoral Res. | 15 | ..... | — | — | — |
| 60 | 30 | ♥Black Hill Mins. | 30 | ..... | — | — | — |
| 104 | 51 | ♥Bond Corp. | 103 | +1 | Q10c | 0.7 | 6.4 |
| 183 | 116 | ♥Bougainville 1 Kina | 158 | +7 | [illegible] | 1.2 | [illegible] |
| 396 | 204 | ♥CRA 50c | 350 | −6 | [illegible] | — | [illegible] |
| 145 | 60 | ♥Carr Boyd 20c | 68 | −2 | — | — | — |
| 44 | 25 | ♥Central Kalgoorlie | 36 | +1 | — | — | — |
| 43 | 18 | ♥Central Pacific | 21½ | ..... | — | — | — |
| 9 | 2¼ | ♥Cons Gold Mng Areas. | 4 | +¼ | — | — | — |
| 17 | 5 | ♥Coopers Res N.L. | 8 | ..... | — | — | — |
| 255 | 183 | ♥Crusader Oil | 198 | ..... | — | — | — |
| 27 | 8 | ♥Cultus Pac NL | 26 | +4½ | — | — | — |
| 19 | 7 | ♥Eagle Corp 10c. | 9½ | +½ | — | — | — |
| 215 | 96 | ♥Emperor Mines | 180 | +6 | — | — | — |
| 16½ | 8 | ♥Endeavour 20c | 16¼ | ..... | — | — | — |
| 58 | 17 | ♥Enterprise Gld Mines | 26 | ..... | — | — | — |
| 810 | 500 | ♥E M Kalgoorlie 25c. | 620 | ..... | hQ10c | ♦ | 1.1 |
| 24½ | 6 | ♥Grt. Eastern Mines | 22 | ..... | — | — | — |
| 24 | 9 | ♥Great Victoria Gold | 24 | +1 | — | — | — |
| 32 | 15½ | ♥Haoma NW | 18 | ..... | — | — | — |
| 92 | 25 | ♥Hill Minerals N.L. | 26 | ..... | — | — | — |
| 41 | 13 | ♥Intnl Mining | 14 | ..... | — | — | — |
| 20 | 5 | ♥Ivanhoe Gld. N.L. | 8½ | ..... | — | — | — |
| 100 | 25 | ♥Jingellic Minerals | 33 | ..... | — | — | — |
| 42 | 15 | ♥Kalbara Min 20c | 18 | ..... | — | — | — |
| 31 | 9 | ♥Keywest Invs. | 31 | +1 | — | — | — |
| 134 | 54 | ♥Kitchener NL 25c. | 80 | ..... | — | — | — |
| 180 | 50 | ♥Meekatharra 25c. | 56 | ..... | — | — | — |
| 58 | 24 | ♥Metals Ex 50c | 48 | ..... | — | — | — |
| 200 | 22 | ♥Metana Minerals N.L. | 140 | ..... | — | — | — |

Tins

Miscellaneous

| 1983-84 High | Low | Stock | Price | + or — | Div. Net | C'vr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 93 | 48 | ♥Anglo Utd. Dev. | 55 | −1 | — | — | — |
| 400 | 180 | ♥Centennial Minerals | 288 | +25 | — | — | — |
| 175 | 60 | ♥Colby Res Corp. | 175 | ..... | — | — | — |
| 850 | 315 | Cons. Murch. 10c. | 850xd | ..... | 100c | ♦ | 6.9 |
| £17½ | £10⅝ | Eastern Trans Cons 50c | £15 | ..... | Q85c | 4.9 | 2.8 |
| 240 | 170 | Hampton Areas 10p | 213 | ..... | 3.75 | 2.1 | 2.4 |
| 215 | 103 | ♥Highwood Res. | 205 | +10 | — | — | — |
| £24½ | £17½ | Homestake Mining $1 | £21½ | +1¼ | Q20c | — | 0.7 |
| 495 | 275 | Northgate C$1 | 315 | +10 | — | — | — |
| 673 | 437 | R.T.Z. | 673 | +16 | t17.0 | 2.9 | 3.6 |
| £148½ | £108 | Do 9¾%Cv.Ln.'95-2000 | £148½ | +2½ | Q9¾% | 32.5 | f6.4 |
| 190 | 13 | ♥Sabina Inds C$1 | 85 | +3 | — | — | — |
| £11½ | 312 | ♥Tara Exptn $1 | £11¼ | +⅛ | — | — | — |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ■ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

## REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

| | | | | | |
|---|---|---|---|---|---|
| Albany Inv. 20p | 72 | −2 | Fin. 13% 97/02. | £97 | |
| Bdg'wtr. Est. 50p | 325 | ..... | Alliance Gas | 85 | +5 |
| Craig & Rose £1 | 900 | ..... | Arnott | 217 | ..... |
| Finlay Pkg. 5p | 46 | ..... | CPI Hldgs. | 87xd | ..... |
| Higsons Brew | 82 | +2 | Carrol Inds. | 118 | ..... |
| Holt (Jos) 25p | 890 | ..... | Hall (R. & H.) | 63 | ..... |
| I.O.M. Stm. £1 | 127 | ..... | Heiton Hldgs. | 25 | ..... |
| | | | Irish Ropes | 49xd | +5 |
| **IRISH** | | | Jacob (W. & R.) | 66 | −2 |
| Exch. 12% 1985 | £99 | ..... | T.M.G. | 70 | ..... |
| Nat 9¾% 84/89 | £86⅛ | ..... | Unidare | 77 | ..... |

For Concrete Prods. see CPI

## OPTIONS

### 3-month Call Rates

| | | | | | |
|---|---|---|---|---|---|
| **Industrials** | | House of Fraser | 21 | Vickers | 12 |
| Allied Lyons | 13 | I.C.I. | 45 | Woolworth Hld. | 35 |
| BOC Grp. | 20 | "Imps" | 12 | | |
| B.S.R. | 18 | I.C.L. | 6 | **Property** | |
| Babcock | 15 | Ladbroke | 21 | Brit. Land | 9 |
| Barclays Bank | 45 | Legal & Gen. | 45 | Cap. Counties | 15 |
| Beecham | 20 | Lex Service | 35 | Land Sec. | 34 |
| Blue Circle | 40 | Lloyds Bank | 50 | MEPC | 26 |
| Boots | 17 | "Lots" | 3 | Peachey | 17 |
| Bowaters | 22 | London Brick | 18 | Samuel Props. | 12 |
| Brit. Aerospace | 19 | Lucas Inds. | 16 | Sterling Guar. | 4 |
| B.A.T. | 14 | "Mams" | 12 | | |
| Brown (J.) | 3 | Mrks. & Spncr. | 20 | **Oils** | |
| Burton Ord. | 38 | Midland Bank | 42 | Bristol Oil & Min. | 6 |
| Cadbury | 11 | N.E.I. | 10 | Brit. Petroleum | 36 |
| Courtaulds | 11 | Nat. West. Bank. | 56 | Burmah Oil | 16 |
| Debenhams | 14 | P & O Dfd. | 22 | Charterhall | 8 |
| Distillers | 20 | Plessey | 28 | Premier | 5 |
| Dunlop | 5 | Racal Elect. | 18 | Shell | 50 |
| Eagle Star | 60 | R.H.M. | 7 | Tricentrol | 20 |
| F.N.F.C. | 6½ | Rank Org. Ord. | 19 | Ultramar | 60 |
| Gen. Accident | 42 | Reed Intnl. | 34 | | |
| Gen. Electric | 17 | Sears | 8 | **Mines** | |
| Glaxo | 75 | T.I. | 14 | Charter Cons. | 22 |
| Grand Met. | 30 | Tesco | 16 | Cons. Gold | 50 |
| G.U.S. 'A' | 55 | Thorn EMI | 55 | Lonrho | 8 |
| Guardian | 45 | Trusthouse | 16 | Rio T-Zinc | 50 |
| G.K.N. | 16 | Turner & Newall. | 8 | | |
| Hawker Sidd. | 32 | Unilever | 75 | | |

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 28

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

## MAN IN THE NEWS

# Saddled with a hot seat

BY RAY MAUGHAN

Michael Gifford is not one to use a metaphor if a down-beat, guarded answer will do. But, when asked where Rank Organisation stands and where it expects to go, the office equipment, leisure and film group chief executive will say that "we had fallen off our bicycle and we have got to get back on the road."

He is in the hot seat because Rank Organisation's big City shareholders told his predecessors very firmly last Spring that they would only tolerate somebody who could stay in the saddle and use the group's enormous assets to provide real long term growth.

Gifford, a tall grey haired manager from Cadbury Schweppes, is the executive the recruitment committee of Rank executives chose last summer to race for the yellow jersey.

He has had the title for five months and says emphatically that he is enjoying every minute of the challenge. His own perception of the group, once he

Mr Michael Gifford

started his own homework after the approach from the headhunters, provides the most honest clue to the scale of Rank's problems. In his own words, "a very substantial contribution of the group's income comes from Rank Xerox, the office equipment group, over which Rank Organisation has no overall, day to day, control.

"The rest of the group, which Rank Organisation itself manages, earns very poor returns which have been falling persistently. The startling thing is we are making profits of only £38.2m before an interest bill of £25.6m.

Finally, he says, "we have a very large number of very small businesses and it's difficult to see how they feed on each other's ability."

He presented his first preliminary statement of accounts on Tuesday for a period to October 31 which covered just two months of his stewardship. For the year to March, profits rose from £62m to £69.3m and, most importantly, management has managed to cut average borrowings by £40m.

Next month, Gifford at Xerox's request is to look over the whole of the photocopier group's operation in the U.S. He scotches any suggestion hat Xerox, which provides so much of Rank's profits, has any kind of secret agreement with the UK company. "There is no reason to suppose that we have other than a perfectly straightforward business relationship with Xerox."

True, "the interesting point about the agreements is not what they say but whether they are likely to change in the future. But speculation is slightly barren. If you want to bid for Rank then go and make an offer to Xerox."

The new strategy will not be coming over the wires until Gifford has got the changes firmly buttoned down. It is fair to assume that the integrated Rank operation which spans film laboratories, studios and distribution will not be broken—"why take a piece out of the jigsaw"—but much else could be up for sale or closure.

He is in the spotlight because Rank is one of the largest companies where the institutions, the owners of the business, have pressed successfully for management change. The heat is turned up because, in today's feverish stock market, Rank remains a potential bid candidate.

Gifford, on the outside at least, remains unperturbed. He insists that he is allowed to take his weekends with his family in the Kentish Weald and, otherwise enjoys little outside distraction. His chairman, Sir Patrick Meaney is a member of Harlequins and the Sportsman Club but, with a rare show of emotion, Gifford stabs his desk and declares that "this is my sport."

# Bristol seeks £55m for port debts

BY ROBIN REEVES, WELSH CORRESPONDENT

BRISTOL CITY COUNCIL yesterday unveiled plans to raise a loan of about £55m on the London money market to deal with a financial crisis caused mainly by soaring costs at its Avonmouth port complex.

The loan, to allow Bristol to restructure its debts, would be for three years, pending repayment from the sale of up to £100m of the city's considerable capital assets. The plan has been approved by the Department of the Environment.

The cash would be used to reduce the growing burden of the port's losses and debt charges on Bristol ratepayers, undertake capital investment to strengthen the port's competitiveness, and to provide resources for an attack on unemployment in central and south Bristol. It is hoped that this last expenditure would be matched by aid from the EEC Social Fund.

Mr Bob Wall, Conservative leader of the Council, who is attempting to win council approval for the plan, warned that the only alternative was a 51 per cent rate rise in 1984-85 and, given "rate-capping" beyond that, forced action including the severe curtailment of all non-statutory council services.

On the other hand, acceptance by the council—where the Tories do not have an overall majority—would enable next year's rate to stay unchanged and provide a breathing space to get the city's finances in order.

Bristol port's debts arise principally from the Royal Portbury Dock which opened in 1978 at the cost of £40m. Operating losses which are expected to double over the next 12 months to at least £4m, are already costing Bristol ratepayers £10m a year or 17p in the pound. This is more than half the city's total rate.

In the next financial year, the docks rate requirement, including losses and capital repayment, is forecast at £12.7m, an increase of 27 per cent if no action is taken.

Closure of Bristol's port is ruled out because many local authorities depend on its facilities. It would also involve the council in heavy compensation claims, and lead to an estimated loss, directly and indirectly of some 20,000 jobs.

Instead, council leaders propose to restore viability by fresh capital investment of £20m in the old Avonmouth docks, notably £7m on modernising 80-year-old lock gates. In the long term £45m investment is proposed at Royal Portbury to maintain the gradual growth in demand for its more modern facilities.

It also wants the Government to create a Severn Ports Development Zone including the South Wales ports as a device to provide Bristol with access to cheap EEC funds for the proposed capital investment programme.

The port package is being coupled with a demand to the Government for Avonmouth to be given assisted area or enterprise zone status, along with South Bristol which has unemployment pockets of up to 30 per cent.

Mr Wall, who had just returned from Brussels, said EEC officials were sympathetic to Bristol's proposals for spending a total of £26m over three years on job creation and training schemes for some 5,500 people in areas with high unemployment. He understood Social Fund finance could again be available given UK government approval.

# Bill aims at £150m regional aid cut

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

THE GOVERNMENT is seeking to save almost half this financial year's £440m earmarked for spending on automatic regional development grants.

The Co-operative Development Agency and Industrial Development Bill, published yesterday, which enacts the provisions of last December's White Paper on regional aid policy, shows that the Government believes it can cut RDGs by between £150m and £200m a year.

The Bill admits that some of this reduction might be offset by increased selective assistance, which this year is expected to rise to £98m from £90m in 1982-83.

The eventual financial outcome is unclear, the Government says, but it admits the review of regional policy "is likely to lead to a significant reduction in planned expenditure on RDGs."

The amount spent on financial aid to the assisted regions has been falling lower than in 1974-1975 and by the end of the current financial year will be down by a half.

Not all this drop can be laid at the door of the Conservative Government. It was falling off during the last years of the Labour Government in 1975-79.

The Government's plans were immediately attacked by Mr Paddy Ashdown, Liberal spokesman on trade and industry in the Commons. He said the move "will be greeted with a mixture of disbelief and despair in some of the poorest areas in Britain.

"This shows clearly that the Government is at best a lukewarm supporter of regional policy."

The Bill also doubles the Government's lending powers to the Co-operative Development Agency to £3m although it expects the annual rate of grants to continue at £200,000. It also gives the Government powers which will make it easier for it to dissolve the agency should it decide to do so.

# Insolvency law to be reformed

BY PETER RIDDELL, POLITICAL EDITOR

THE GOVERNMENT will act to reform the law on insolvency before it tackles proposals to be implement the recent Gower report on investor protection.

A White Paper next month will suggest the outlawing of "cowboy" liquidators and receivers, tighter controls over irresponsible directors and a simplification of procedures for companies in trouble.

These proposals will cover many, though not all, of the recommendations in the wide-ranging report on insolvency law, published in June 1983, by a committee led by Sir Kenneth Cork.

One aim will be to try to stamp out the practice of some companies which take money from the public, go bankrupt before supplying the goods and then re-open immediately under a different name with the connivance of rogue liquidators.

The Bill to implement these proposals will be introduced in the 1984/85 session.

Ministers are considering two options in response to the report on investor protection from Prof Jim Gower.

One possibility is a short Bill, including provisions to tidy up the present law, in the 1984-85 session, though it would have to wait in the Parliamentary queue behind the insolvency Bill.

The alternative, and more likely, course is a White Paper in the second half of this year preceding legislation reforming the present securities law in 1985-86.

Ministers seem inclined to wait longer to see how the current shake-up in the structure of City financial institutions develops.

They do not want any premature proposals for a new system of self-regulation for City markets. At present, ministers and officials are holding informal talks with City institutions about the Gower proposals.

Company failures, Page 5

# Government union ban may hit talks with TUC

By David Brindle and John Lloyd

THE FEATURE of the delicate relationship between the Government and the TUC has been put at risk by the banning of unions at the Cheltenham communications centre.

The anger of trade union leaders on the issue was typified yesterday by uncharacteristically outspoken comments from Mr David Basnett, general secretary of the General Municipal and Boilermakers' Union and a key figure on the TUC general council. He said: "This must prejudice the discussions with the Employment Secretary and it must also prejudice wider discussions.

"The offence is so gross that it cannot be accepted. The Government's outrageous action in this denies the right of free trade unions to exist."

The finance and general purposes committee, the inner cabinet of the TUC, will meet on Monday to discuss the ban. Mr Alan Sapper, general secretary of the cine technicians' union ACTT, will propose a formal break with the Government over the ban, which he said was "dangerous for everybody the Government deems to be in areas of national security."

Mr Sapper, a left-winger, would not normally command majority support. But the strength of feeling on both left and right could unite the two wings behind a dramatic gesture.

Talks between Mr Tom King, the Employment Secretary, Mr Len Murray, the TUC general secretary, and Mr Bill Keys, general secretary of Sogat '82, on the future of the unions Labour Party levy on their members are thought to be near a conclusion. Mr Murray and Mr Keys had hoped to be able to recommend a voluntary package to the TUC employment committee on February 15.

Last night, Mr King tried to defuse the row. Speaking in Bristol, he elaborated the Government's case for its action over the communications centre and declared that it was "not in any sense under-cover assault on trade unionism in the Civil Service or elsewhere." Only the "special nature of the work at GCHQ" led to the decision.

Unrest among civil servants continued with walk-outs and half-day strikes again yesterday at various Government departments, including Companies House in Cardiff, the Driver and Vehicle Licensing Centre in Swansea and Customs and Excise in London.

In a rare display of militancy, staff at the Home Office staged a half-day stoppage and about 100 of their colleagues from the Cabinet Office and the Treasury delivered a petition to 10 Downing Street condemning the "ominously undemocratic treatment" of workers.

The major policy committee of the Council of Civil Service Unions will meet on Tuesday and is expected to consider calling a one-day strike of all civil servants. There will also be a proposal to pull out of talks with the Government on a long-term structure for pay reviews.

Weekend Brief, Page 21

# Thatcher rules out Falklands mediation

BY JAMES BUXTON IN ROME

MRS MARGARET THATCHER, yesterday ruled out mediation by any third country to help re-establish relations between Britain and Argentina in the wake of the Falklands conflict. She would prefer Britain to have direct contacts with Buenos Aires, she said.

The Prime Minister was speaking in Rome after meeting Sig Bettino Craxi, Italy's Socialist Prime Minister. Reports earlier in the week had suggested that Sig Craxi might act as an intermediary between Britain and Argentina. He said yesterday: "I am limiting myself to expressing my opinion, both to my friend the Argentine Government and to the British Government."

Mrs Thatcher said that as long as Argentina maintained a state of hostilities with Britain—which she called astonishing—Britain could renew only commercial links with Buenos Aires. Only if Argentina ended the state of hostilities could the two countries re-establish diplomatic ties.

While it was not possible to establish more friendly relations with Argentina, it was pointless to talk of mediation she said.

It is understood, however, that Argentina may soon make proposals to Britain on bridging the gap between the two countries. Italy's close ties with Argentina could be useful.

In particular Britain would like the Argentine Government to allow the British diplomats based in the British interests section of the Swiss Embassy in Buenos Aires to have direct contact with the Argentine authorities to speed up communications.

Both Mrs Thatcher and Sig Craxi said their talks had been "friendly and very constructive." Only a "very brief part" had been devoted to the Falklands question, the British Prime Minister said.

Additionally Mrs Thatcher said she had made clear to Sig Craxi that Britain would not allow an increase in the EEC budget "unless there is a fair and equitable sharing" of the burden.

On Lebanon the two Prime Ministers stressed their common desire for a greater role for the United Nations in peacekeeping there.

In Buenos Aires yesterday, Sr Dante Caputo, the Foreign Minister, restated Argentina's willingness to seek a peaceful solution to the Falklands dispute but urged the British Government to clarify its position.

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

| RISES | | |
|---|---|---|
| Applied Computer | 585 | + 30 |
| Bensons Crisps | 108 | + 15 |
| Belt Bros. | 52 | + 5 |
| Canning (W.) | 104 | + 18 |
| Courtaulds | 144 | + 4 |
| Fleet Hldgs | 187 | + 5 |
| GRA Group | 51 | + 5½ |
| Greenwich Cable | 68 | + 13 |
| Hampton Trust | 33 | + 4 |
| Ingram (Harold) | 408 | + 50 |
| Mellins | 60 | + 6 |
| Roschaugh | 345 | + 22 |
| Rowntree M'tosh | 260 | + 18 |
| Strong & Fisher | 225 | + 10 |
| Suter | 109 | + 7 |
| Tesco | 183 | + 9 |
| Tootal | 48 | + 3 |
| UKO Intnl | 142 | + 20 |
| Wholesale Fittings | 300 | + 35 |
| BP | 452 | + 10 |
| I.C. Gas | 301 | + 15 |
| LASMO | 350 | + 20 |
| Ultramar | 698 | + 10 |
| Home Energy | 107 | + 20 |
| Western Mining | 276 | + 11 |
| York Resources | 36 | + 6 |
| FALLS | | |
| Ashley Ind'l Tst | 19 | − 9 |
| Hallite | 200 | − 50 |
| Leyland Paint | 18½ | − 3½ |
| Maynards | 245 | − 20 |

## WORLDWIDE WEATHER

UK today. Rain spreading from the West. Gales in North-West. In the East mist and fog will clear to give hazy sunshine.

| | | Y'day midday °C | °F | | | Y'day midday °C | °F | | | Y'day midday °C | °F | | | Y'day midday °C | °F |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ajaccio | C | 11 | 52 | Dublin | C | 5 | 41 | Madeira | F | 15 | 59 | Perth | S | 30 | 86 |
| Algiers | C | 15 | 59 | Dbrvnk. | S | 10 | 50 | Madrid | F | 6 | 43 | Prague | C | −1 | 30 |
| Amsdm. | F | 3 | 37 | Ednbgh. | R | 3 | 37 | Majorca | F | 15 | 59 | Rykjvk. | S | −4 | 25 |
| Athens | S | 11 | 52 | Faro | S | 13 | 55 | Malaga | S | 12 | 54 | Rhodes | F | 12 | 54 |
| Bahrain | S | 22 | 72 | Florence | C | 6 | 43 | Malta | F | 16 | 61 | Rio J'ol | | — | — |
| Barclna. | S | 13 | 55 | Frankft. | C | 2 | 36 | M'chstr | C | 5 | 41 | Rome | C | 12 | 54 |
| Beirut | C | 11 | 52 | Geneva | Sn | 1 | 34 | Melbne. | F | 18 | 64 | Salzbrg. | S | 4 | 39 |
| Belfast | C | 2 | 36 | Gibrltr. | S | 13 | 55 | Mx. C.† | | — | — | S'cisco† | F | 10 | 50 |
| Belgrd. | S | 4 | 39 | Gl'sg'w | C | 4 | 39 | Miami† | F | 22 | 72 | Singapr. | R | 25 | 77 |
| Berlin | Sn | 1 | 34 | G'rnsey | C | 7 | 45 | Milan | C | 2 | 36 | S'tiago† | | — | — |
| Biarritz | C | 9 | 48 | Helsinki | Sn | −5 | 23 | Mntrl.† | Sn | −12 | 10 | Stckhm. | C | −8 | 18 |
| Bmghm. | Fg | 3 | 37 | H. Kong | S | 16 | 61 | Moscow | C | −8 | 18 | Strasbrg. | F | 7 | 45 |
| Blackpl. | R | 4 | 39 | Innsbrk. | F | 1 | 34 | Munich | S | −2 | 28 | Sydney | F | 22 | 72 |
| Bombay | S | 27 | 81 | Invrnss. | C | 2 | 36 | Nairobi | S | 27 | 81 | Tangier | F | 13 | 55 |
| Bordx. | C | 8 | 46 | I.oMan | R | 5 | 41 | Naples | S | 11 | 52 | Tel Aviv | T | 11 | 52 |
| Boulgn. | C | 7 | 45 | Istanbul | R | 4 | 39 | Nassau | | — | — | Tenerife | C | 17 | 63 |
| Bristol | R | 6 | 43 | Jersey | C | 7 | 45 | Nwcstl. | Fg | 5 | 41 | Tokyo | S | 8 | 46 |
| Brussels | F | 8 | 46 | Jo'burg | S | 27 | 81 | N Delhi | S | 15 | 59 | T'r'nto† | C | 2 | 36 |
| Cardiff | F | 6 | 43 | L. Plms. | F | 18 | 64 | N York† | F | 0 | 32 | Tunis | S | 16 | 61 |
| Cape T. | S | 25 | 77 | Lisbon | F | 10 | 50 | Nice | R | 8 | 46 | Valencia | S | 13 | 55 |
| Chicg.† | C | −3 | 27 | Locarno | Sn | 0 | 32 | Nicosia | T | 11 | 52 | Venice | F | 6 | 43 |
| Cologne | C | 5 | 41 | London | R | 8 | 46 | Oporto | C | 8 | 46 | Vienna | S | 1 | 34 |
| Cpnhgn. | C | 1 | 34 | L. Ang.† | | — | — | Oslo | Sn | −8 | 18 | Warsaw | C | 1 | 34 |
| Corfu | S | 12 | 54 | Luxmbg | C | 3 | 37 | Paris | C | 8 | 46 | Zurich | S | 2 | 36 |
| Dallas† | F | 3 | 37 | | | | | Peking | S | −5 | 23 | | | | |

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

Continued from Page 1

## Ministers

interests of national security and planning of large investment projects which the private companies would have to undertake.

Over the five-year period the Cabinet committee's paper envisages a steady disposal of state assets at the rate of about £2bn a year. These accelerated plans for disposals will be written into the Public Expenditure White Paper, to be published early next month.

In the current year the major disposal will be the first tranche of the 51 per cent share of British Telecom.

The Telecom sell-off is expected to raise a total of about £4bn with payment spread over two, or possibly three, financial years.

The sale of Enterprise Oil, for perhaps £400m, is planned this year.

For future years the timetable does not allocate particular "slots" for each sell-off, but lists the assets in a rough order.

The list of candidates is substantially the same as the City has been expecting.

It includes all or part of British Telecom, Enterprise Oil, British Airways, the Royal Ordnance Factories, BL's Jaguar and Unipart subsidiaries, the Naval shipyards, Sealink, the National Bus Corporation, Trustee Savings Bank, British Airports Authority, gas and electricity and British Nuclear Fuels.

## THE LEX COLUMN

# The band wagon keeps rolling

The London equity market is showing the most stubborn determination to carry on rising. Towards the end of the week it began to look as if the bulls were at last losing their enthusiasm. But, as soon as trading for the new account opened late yesterday afternoon, the buyers were back in action lifting the FT All-Share Index to yet another record.

There is still no discernible pattern to the market's movement. Blue chips and secondary stocks have been equally blessed and on Wednesday Contracting and Construction earned the distinction of being the only equity sub-section not to show a gain.

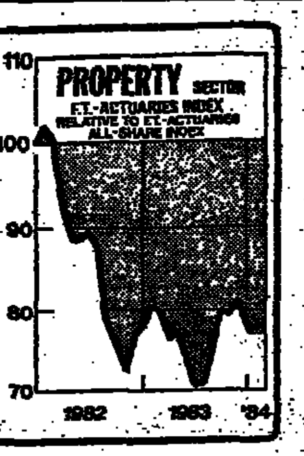
The market also appears impervious to news, whether good or bad. The fact that Wall Street is in the doldrums has failed to deter investors in London, while the publication of remarkably impressive current account figures for December produced little more than a yawn. The firm undertone is all the more remarkable given that arguments which were being used to justify rising equity values earlier in the year are now looking played out.

The dividend season in the gilt-edged market, which helped to fund the earlier gains in equities, is now well past its peak and if anything institutions should be building up reserves for the floatation of Reuters and British Telecom. The strength of corporate cash flow must by now be well discounted, as should the prospect of double-digit growth in dividends this year.

The absence of any obvious explanation for the rising market—beyond the familiar takeover talk and U.S. buying—may seem to the fund manager as good a reason as any for buying. Gilt-edged, after all, seem imprisoned in a narrow yield range which, since the early autumn, has extended from 10 to 10.5 per cent at the long end. Short-term interest rates are currently giving no guide to the future direction of gilt-edged and, even if the market did try to break into new ground, it would soon run into a wall of unsold Government stock. The forthcoming Budget is already giving the faint-hearted an excuse for their caution, so a policy of staying put now loks even respectable.

In equities, by contrast, no such ceiling has been detected. At the beginning of the year, the yield difference between the

Index rose 4.4 to 839.5




All-Share and index-linked gilts was already looking thin and since then the market has advanced by 7.3 per cent.

### Property

The property sector was one of the better performers of 1983, when its 30 per cent rise comfortably outpaced the All Share closing the sector's discount against net assets from over 40 per cent to somewhere in the middle twenties. Yet property shares have not accompanied the rest of the market on its flying leap into 1984, despite a generally positive flow of news about office lettings — a pre-requisite of further progress in the sector now that the prolonged retail spree has been relatively well discounted in the value of shop property.

The caution may be partly explained by the widening gap between the supply of London office property and the rate at which it is being taken up. There is apparently something in the region of 5m sq ft overhanging the demand for London office space—a fact which tends to limit actual achievement of better rentals to those who can offer favoured locations and higher-quality buildings. And there are some prime developments hanging around unlet even in the heart of the city.

It may be partly because this background is a bit chequered that British Land has now been able to buy Wimpey's half share in Euston Centre Properties for as little as £31.5m—not much more than half the book value of the assets. It is certainly an extremely good deal for British Land, which will be able to pass gross dividend income of £3m a year straight through—since Land has no liability for mainstream tax. Moreover, there are rent reviews coming up on Euston Centre's main asset, a 12 acre office complex in the Euston Road, so that an immediate net return of 10 per cent on Land's investment should rise rapidly enough to compensate for any refurbishment expenses. Land was also able to make a comfortable turn on Wimpey's holding in Stock Conversion—sold to Land as part of the parcel.

For Wimpey, the disposal of Euston Centre formed part of a deck-clearing programme, foreshadowed in its last annual report when the investment went into its balance sheet at a 40 per cent discount. The divorce from its former partner in Euston, Stock Conversion, is not quite absolute, but Stock's purchase yesterday of Wimpey's interests in two more of their joint ventures is evidence of a decree nisi.

### Pleasurama/AL

The proposed bid terms from Pleasurama for Associated Leisure contain a larger cash element than was perhaps expected. Pleasurama has sensibly decided to restrict the issue of new paper to a level which, on a pessimistic view of the current year, will have a neutral effect on earnings per share after an increase in the share base of 32 per cent.

Of the £36.6m cash element, Pleasurama will be borrowing some £15m. Together with the £5.5m of debt incurred by Associated Leisure through the Shearings acquisition, this would produce a ratio of debt to shareholders' funds for the merged group of 44 per cent. Given the cash generating power of the two companies, it should be possible to pay off at least half of that from current year cash flow.

Pleasurama's closing price yesterday of 322p (down 2p) puts the value of the bid at £63.3m, with AL's exit p/e at 14, on actual tax. The AL price fell 3p to 147p, against an implied bid price of 152p, so the market evidently has no thoughts at present of a counter-bid. For Pleasurama, meanwhile, the deal offers the possible benefits of an increase in marketability for a tightly-held share, and perhaps an increase in institutional interest in a company no longer purely casino-based.